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SUPPLEMENT

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Duma CIS Affairs Chairman Advocates Revamped CIS Assembly

954F1470A Moscow NEZAVISIMAYA GAZETA in Russian 11 Feb 95 p 3

[Article by K. Zatulin, Duma CIS Affairs Chairman: "CIS Inter-Parliamentary Assembly Ineffective: Before MPA Is Financed, Needs Reorganization"]

[FBIS Translated Text]

Opinion

Relations between former member-states of the USSR have become a stage to the pride of their presidents and prime ministers. The latter has given rise to Homeric barriers blocking any real attempt toward reintegration. The people, meanwhile, and their elected parliaments have been given the role of extras behind the scenes.

The CIS Inter-Parliamentary Assembly, which has been in existence since 1992, has been conducting key mediation work on acquainting the leaders of the national parliaments, as well as certain deputies from the former Union republics with one another. A number of model laws for recommendation have been adopted, and recently attempts were made to use the inter-parliamentary delegation mechanism to bring settlement to zones of conflict in the former USSR.

The organizational backwardness of the MPA [Inter-Parliamentary Assembly], however, does not allow for exerting serious influence in integration issues. Without determining an overall numerical composition for the MPA, and without clear norms defining the numerical strengths of national delegations, a blaring contradiction arises between the number of citizens and voters in each CIS country, and the possibility of exerting influence in the interests of the latter in the adoption of decisions in the MPA. Because decisions in the MPA are adopted by a consensus in accordance with the principle "one country - one vote," (the opinion of the RF Federal Assembly parliamentary delegation, therefore, means no more than that of the Tadzhikistan parliamentary delegation, or of any other CIS country), there are no grounds for considering the recommendations of the MPA, or for entrusting the Assembly with resolving any serious issues. The fact that Russia has been administered one vote in the MPA is further complicated by the constitutional equality of both houses of the Federal Assembly, and consequently, of the deputies from both houses that make up the general Russian parliamentary delegation.

The RF State Duma Committee on CIS Affairs and Ties with Fellow Countrymen has proposed that further development of the MPA is possible on the basis of gradual organizational reform; a reorganization modeled after the European parliament and other international inter-parliamentary organizations. In the initial stage, while maintaining the practice of appointing delegations rather than holding direct elections to the MPA, it will be necessary to introduce national delegations to the MPA that are quota-based and proportional to the population of a given state. It will also be necessary to change over to voting system of "one delegate - one vote," and establish an MPA regulation governing which issues, in particular, will be subject to approval by consensus, and which by a simple or qualified majority of total member-delegates. If one takes into account the fact that the total population of CIS countries is 286 million, the composition of the Assembly could be set at 286 delegates, whereupon Russia would receive 148 votes, Ukraine, 52, and so on. Moving from a consensus to specific vote count and proportionality was how the institutions of the European Community developed. A proportional distribution of votes was also a feature of the Commonwealth's first national coordinating body, the Inter-State Economic Committee.

In the long-term it will be possible to conduct direct elections to the MPA at the same time elections to national parliaments in CIS countries are held. However, even in the first stages, reorganization of the Assembly will lead to the revival of a political common ground spanning the CIS, and to the formation and fortification of inter-party ties. Direct elections to the MPA on party tickets will allow international political forces, from radical democrats to communists, as well as national forces to be represented in the work of the assembly.

Considering the attempt by the MPA apparatus to bring the MPA's meaning and purpose into the manipulation of the MPA's property and substantial budget, and that the chairman of the assembly - a well known candidate for Russian president - is striving to restrict the activity of the MPA to purely representative functions, the State Duma Committee on CIS Affairs has proposed that the national parliaments of CIS countries examine the proposal concerning the assembly's further development. Simple common sense prompts the need for this to be done in Russia before the final approval of the RF Federal budget for 1995, and thus, before additional funds are allocated for the maintenance of the MPA.

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Political Issues

Yeltsin Accused of Corruption in 'Baby Exports'

954Q0134A Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 17 Feb 95 p 4

[Article by S. Mikhalych: "After Factories It Was Decided To 'Privatize' Children To Make Sale Easier: A Few Words About Another Presidential Veto on a Respectable Law"]

[FBIS Translated Text]

Children's Advocate

I did not think I would once again be faced with returning to the topic of international adoption. It seemed that the long, sad history had come to a happy ending, and that legislators of the last convocation had adopted the corresponding documents. Justifiably, the chief accomplishment of the law "On Adoption" had been considered its prohibition of intermediary agency activities both on the part of our fellow countrymen and foreign agencies. The life and fate of a child must not be treated as a good, nor become the object of unscrupulous mercantile deals.

Far from it, however. The president is vetoing the law, motivated by his decision that the law's chief accomplishment is what he, the president, perceives as its primary drawback. And in fact, there is nothing to be surprised about - the result is par for the course.

A digression in history is in order here. International adoption became a fact of life for us in 1991. It was namely then that the various adoption agencies and individual profitseekers (primarily from the U.S.) specializing in the export of children from Third World countries to theirs, began earnestly dividing the territory of the former USSR among themselves. A specific rate was set, a data base of information was compiled, ties were formed, spheres of influence were split up, and children went abroad in a vast stream to the great joy of their new parents and the purses of the agencies. All that was left for the community and the Ministry of Education to do was to throw up their hands and write angry letters to the prosecutor's office.

Clearly, without a legislative base, there was massive abuse and complete chaos: primarily healthy children and infants were shipped out, diagnosis were falsified, the directors of children's homes were paid off, the workers of departments under the Ministry of Education responsible for adoption occupied dual positions doing work for foreign companies, and here and there rejected newborns were even concealed from registration. The situation threatened to spin out of control, and in Russia it was entirely possible that it could have gone the way of Rumania, where mothers exchanged their children for pots and aluminum basins.

To the merit of the Ministry of Education, it succeeded with great difficulty in stopping the activity of the most odious firms in some regions. It also obtained hearings on the issue from the former Supreme Soviet, and then the writing of a corresponding law. As is known, however, the VS [Supreme Soviet] ceased to exist, but the chaos continued. The Ministry of Education then came up with the only means for safeguarding children from unscrupulous dealers: to become a monopoly itself in order to put children up for adoption who, first and foremost, were genuinely ill and in need of treatment. Thus, the firm, "A Child's Rights" was formed. Idle journalists now spit at the latter, without delving to any degree into the history or essence of the problem.

In any case, in Russia a certain parity has taken shape. The same civil servants of the Ministry of Education who more or less used to check out firms with which we worked, and who worked to conclude all agreements with such firms, were those who developed the very law on adoption stipulating that agency services as such were to be eliminated. That is, in the name of objectives for the common good, they dug a grave for their business.

When a market takes shape (no matter how blasphemous it may sound with regard to children), there is always someone, for whom there is not enough room. There were many such entities: In the U.S. alone there are more than 5,000 agency offices. The most resourceful decided to wedge themselves into the battle, while employing the age-old principle for Russian peace settlement, i.e., "anything to oblige one's own people." Lobbyist groups began to form, to include on the highest level, helping sharp new businessmen operate within Russian territory under the most preferential treatment.

Officials in the Ministry of Education, some deputies, and the heads of local administration were also implicated for favoritism, but... There were firms that were given a great deal of attention.

The "Children's and Orphans Home" foundation, organized by Mr. Sherling, received unheard of rights, land, equipment, the right to use government communication channels, and so on and so forth. And all of these blessings were bestowed by order of Boris Yeltsin himself, although until that time the president was not in the habit of signing documents regarding nongovernment structures. The document to be signed came from within the interior of the Ministry of Health. The author, a certain administration director, is now flourishing in the field of commerce. The foundation's director, Yuriy Sherling, was then caught by the English trying to render agency services in delivering children's donor organs abroad. A scandalous story ensued, but it was not the only one of its kind.

Yet another firm received preferential treatment from the most highly-placed officials in the country, the "Frenk" association, which was involved not only in adoption, but philanthrophy in general. At a presentation for some occasion given by this firm in 1993, which I managed to attend, the Patriarch of Vseya Rusi, Aleksii II was personally in attendance, as were the deputy ministers of education, health, and social security, leaders of committees and commissions of the former VS, and a large number of other

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interesting personalities. What was most poignant, however, was that the invitations to all those participating in the production were signed by Naina Yeltsin.

"Frenk" is now considered to be a quite odious firm, the subtleties of the work of which are being scandalized by the American press. Once again an ugly story has ensued...

Are there not too many coincidences? Does this not all lead to one thought: that among circles close to the Russian president there were, and still are people who have a deep vested interest in increasing the "export" of children abroad? Is this not the reason that the draft law has now essentially been destroyed; a law which was supposed to have finally put an end to the bacchanalia in the adoption world having declared a state monopoly with regard to this delicate issue, as is done in all respectable countries? Real estate, it appears, was "privatized," and personal property - also pilfered. Do "living goods" now remain?

Women's Faction Calls for Grachev Removal

95UM0291A Moscow MOSCOW NEWS in English No 5, 3-9 Feb 95 pp 1, 4

[Article by Yekaterina Lakhova, State Duma deputy, leader of the Women of Russia faction: "Protect the Army from the Defense Minister"; first paragraph is introductory paragraph]

[FBIS Transcribed Text] Last Friday the Duma did not vote for the resignation of Defense Minister Pavel Grachev, on which the Women of Russia faction insisted. The deputies agreed that "horses cannot be changed on the crossing." By crossing they meant the protracted military operation in Chechnya.

The paradox is that the miscalculations of the organizer of the Chechen campaign now serve him as a safeguard. And criticism addressed to the defense minister is becoming the main and only cause of his failures as a military leader.

Meanwhile, the events in Chechnya have only revealed the intensity of the crisis experienced by Russian society. And, perhaps, the most alarming feature of this crisis are the attempts of various political forces to involve the army into internal conflicts. The army can respond differently to them. It may be recalled that at one of the army meetings a dashing officer expressed his readiness to send paratroopers to the Duma if it refuses to finance fully the needs of the army. The camera which showed at that moment the presidium, registered an expression of approval on the face of the defense minister.

It is easy to say that the critics of Minister Grachev are not unbiased and represent, according to the Liberal Democratic Party of Russia leader, some "fifth column" acting in the rear of the army and the state. However, preparing the question for the plenary session of the Duma we were guided not by subjective assessments, but by the conclusions of military experts. According to the latter, the situation in the army is critical. Isn't the defense minister responsible for this?

If the main constitutional task of the armed forces is to defend the country from outside aggression, the country has the right to hope that its army and navy will be stronger in all respects than the "potential opponent." Can we be quiet in this respect? During Grachev's tenure in office the programs of military research were cut down many times. Over the past three years the supply of the army and navy with the latest types of armaments and military hardware has practically stopped, and the weapons available in the troops are mostly extremely worn-out. The army's fighting efficiency is shrinking disastrously and in the near future we are threatened with lagging far behind the countries advanced in military and technical respects.

Amateurish experiments to speed up the transfer to a contract service discredit the very idea of a professional army. Such reforms call not only for appropriate material and social conditions but also for the existence of a legal basis for the selection and training of people hired by contract. Today Russia's Defense Ministry has nothing like this. As a result, the military units and formations are manned by not more than 50 percent of their prescribed staff.

Besides, combat training of the army and navy has practically stopped over the past three years. Operations-tactical and tactical exercises have been fully stopped and the programs of field, flying and naval training of troops have been cut down. Exercises on terrain have been replaced everywhere by marking these actions on charts. The military operation in Chechnya has shown with what casualties one pays for combat training, when these skills are acquired directly on the battlefield.

On the whole, the entire "military reform" carried out under the immediate guidance of the defense minister is destructive. Senior and middle-rank officers leave the service as a result of rash staff reduction. At the same time, the number of posts filled by generals is growing and under Grachev exceeds even the number established for the Armed Forces of the former USSR. Events in Chechnya revealed the disorder and vacillation among high-ranking commanders, which is the direct consequence of the cadre policy pursued by the defense minister, who values personal devotion and not professionalism.

The miscalculations of the military leaders are usually justified by references to the reduction of expenses on defense. It is time to stop taking these arguments seriously. Yes, defense expenses are reduced but the army, just as the state, must learn to live within their means, and be able to prove convincingly the validity of their expenses. Meanwhile, the deputies are compelled to be content with a secret military budget which consists of only five items. But in the American budget there are, I think, more than 700. Isn't it because the shortage of petrol for exercises in the country does not affect the construction of dachas belonging to generals?

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Poll Views Attitudes Toward Early Presidential Elections

Experts Discuss Pros, Cons

954E0578A Moscow ROSSIYSKAYA GAZETA in Russian 16 Feb 95 p 4

[Article, under rubric "Power in the Mirror of Public Opinion": "The Problem of Rescheduling the Election of the President of Russia: It Can Be Resolved Only By Resting Upon the Constitution." First paragraph is newspaper's introduction; next three paragraphs, in boldface, are introduction proper.]

[FBIS Translated Text] We are continuing to acquaint our readers with materials from a sociological study carried out jointly by ROSSIYSKAYA GAZETA, ITAR-TASS, the Institute of Experimental Sociology, and INDEM Center of Applied Political Research late last year. The first two sections of the materials were published in the 2 February and 9 February issues of ROSSIYSKAYA GAZETA. The third section is devoted to the topic named in the headline: "The Problem of Rescheduling the Election of the President of Russia."

The sociological poll was constructed in such a way that the respondents had the opportunity to express their own views and evaluations without any pressure or "inner censorship." The names, addresses, and place of work of the persons being interviewed are known to the sociologists, but for reasons of ethics are not given in the text. People expressed candidly what they were thinking at that moment. Readers themselves can be convinced of this as they read the interviews, in which practically no editorial changes have been made.

We might recall that the final goal of the work carried out by the sociologists and journalists was to obtain a description of the present-day political situation in Russia, which description is sufficiently real, complete, and based on scientific methodology. A study of the sociological report, in our opinion, will be beneficial to the constant readers of ROSSIYSKAYA GAZETA, primarily to politicians at the federal, regional, and local level, and various groups of intellectuals, as well as other readers.

The third question that was asked of respondents in the course of the sociological poll was: "What is your opinion about the problem of rescheduling the date of the election of the President of Russia?"

A RADIO ROSSII correspondent expressed his opinion concerning the shifting of the date of the presidential election in an extremely succinct and precise manner (his statement is quoted with the style of the original retained): "I am against rescheduling the election in either direction." Then he explains why: "Speeding up the election might lead to an indefinite aggravating of the situation. Excessive delay will lead to a slowing down of the process of replacing the political elite and to a slowing down of the reforms. Both the president's entourage and the parliament have a low rating in all segments of the population."

The nation is against rescheduling the election, but will not speak out in opposition to it, a senior scientific associate at an NII [scientific-research institute] feels: "Most people, of course, are against it. But they will not undertake any significant actions for the purpose of opposing it. Properly speaking, I do not know how people will behave. I only know that when there is no light or heat in the city, things will be terrible then."

There exists the opinion that a rescheduling of the election should not occur for reasons that are linked with the need to execute the Constitution and the laws of the Russian Federation. This is linked with the democratic type of government in the country. Here is the opinion of a historian who was unemployed at the time that he gave the interview: "The president, if he calls himself a democrat, must be reelected on time, as is stated in the Constitution." That is also mentioned by a leading scientific associate at an NII: "The people who want the reelection on time are naive individuals who feel that everything must happen in accordance with the law. For example, a four-year term has been established. There is no need to change it. The election should be held on time. Half the people in our country will be naive individuals like this."

That position was explained in greater detail by a hereditary intellectual from Kostroma: "There must be a reelection and, I daresay, it is precisely the president, who swore that he would protect the nation, who must be the initiator of the election. If the election is not an early one, then it should be held precisely on the date that is defined in the Constitution. Incidentally, people are waiting for that election."

That opinion is maintained by a presidential supporter who is a senior scientific worker, historian, and head of one of the organizations in the Republican Party. He is convinced that the president will not do anything to violate the Constitution: "Discussions about prolonging the periods of wielding power are a purely political game, and no significance should be attached to them. Moreover, this is political speculation on the part of those who are promoting these ideas, and definitely not on the part of the president. He will never allow himself to do anything to violate the Constitution that is linked with his name, and the nation will not allow anyone to trample our democratic norms of governing. The rotation of the parliament is necessary, especially for the period of establishing a law-governed state."

A more precise definition of the position of various political forces was made by a deputy NII director: "The figures who are against rescheduling the election are those who are in the opposition—the Communist and peasants' parties. Among the centrists there are both those who are in favor, and those who are against. Among the entrepreneurs there will be more adherents of prolonging the powers for the simple reason that, with those forms of entrepreneurship that exist in our country, the more chaos there is, the better it is."

In any case the positions of Russia's political forces with regard to the question of rescheduling the date of the

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presidential election depend upon the political situation that develops at the moment of making the decision, and upon what benefits the particular decision will produce. Therefore the positions of the specific political parties and movements will change, together with the development of the political situation in Russia.

Rescheduling the election in the interests of the new political forces in Russia that are striving for power, in the opinion of a manager and economic planner by profession, who completed postgraduate studies, is: "There exists a self-interested group of people—I won't talk about the nation—who want, by replacing the president, to resolve their own personal problems. And when any political system, even the best one, is in power, there are people who are dissatisfied with it. There are a large number of different political forces and currents for which it would be advantageous to replace the political leadership. So that they themselves can occupy that position and resolve other questions."

Someone who uses a different argument to substantiate the need to reschedule the presidential election is a manager, economic planner by profession, who completed postgraduate studies. He feels that the president has been operating for a short period of time and ought to be given the opportunity to continue the reforms in Russia: "I take a cautious attitude toward rescheduling the presidential election. A very short period of time has passed. It is necessary to give a person the opportunity to manage his affairs, to finish what he began. Otherwise we will find that we have gone forward only slightly in a certain direction by taking certain steps. This movement has not yet yielded any real results, and we are already attempting to reorganize ourselves. It is necessary first to finish what we have begun, and only then to choose another direction. It is necessary to provide the opportunity to finish what was begun."

That respondent is convinced that a new president will hardly prove to be better than B. Yeltsin, and that the election will result in instability: "There will be an election. The probability that another president will prove to be better is infinitesimal. Stability is what is important now. Even if there is a terrible tax burden, stability is still preferable. People are adapting and working."

In the opinion of the research group, this is the position of a former supporter of B. Yeltsin who formerly linked definite expectations with Yeltsin's advent to the leadership of Russia.

There also exists in society a tendency toward expectations from a new leader with new ideas, with new forces. But the place of this new leader at the present time is still open in the public awareness. By way of an example, let us cite the statement made by a deputy NII director: "But I do not see today, speaking frankly, that real figure who has a realistic claim. Perhaps he will arise when it actually comes down to the election. I do not think that, of those who have directly or indirectly announced their intention to run for president, there can be any real pretender—whether it be Gorbachev, Zhirinovskiy, or Volskiy, although the last one mentioned has never expressed such intentions."

The more politicized segments of the intelligentsia mention the definite political game that is linked with the lack of an all-Russian political leader.

An interesting analysis of the situation was given in an interview wit a newspaper editor who is certainly close to politics: "Without a doubt, the progovernmental apparatus, the officials, have a self-interest in rescheduling the presidential election. Naturally, they have fought their way to power, so why change it? Anyone in their place would adhere to the same position. That is explainable and understandable. However, most of Russian society, if only because of its inherent striving for changes and its expectations for a new broom, is in favor of holding the election on time. However, out of this majority, possibly half will not even go to the voting booth, inasmuch as it is a matter of complete indifference to them. There are very few zealous champions of holding an election. At best they will start shouting at small rallies, protesting against the prolonging of the president's powers."

In addition to the new argumentation, one can also detect in this interview a description of an essential detail in holding a vote at the presidential election: even if the majority of the voters are convinced of the need to hold an election on time and the election does occur, it will also be necessary to resolve the problem of getting the voters to go to the polls. Voter apathy can also lead to a situation in which the election will not be held. It will be even worse if the persons who go to the polls are basically representatives of the minority of society, and the extremist forces: in that instance the election results will be unpredictable.

A substantial addition to the mechanism by which society accepts the fact of the rescheduling of the presidential election was made by the hereditary intellectual from Kostroma, who justly asserts that it is necessary for the federal authorities to take into consideration the opinions that have formed in the local structures of the executive power: "As for the question of rescheduling the election of the president and the deputies to the Federal Assembly, and of what should be done, and how, the answer, I daresay, was already given at the conference of governors that was held in Yaroslavl. Who today—what kind of power—can organize this election if the governors do not want to? Because, after all, they do not want to. So everything has been said here."

The leading scientific associate sees the mechanism for guaranteeing the rescheduling of the presidential election in a completely different way: "The forces that are self-interested in prolonging the powers should, under Yeltsin's name and with the help of his comparatively young entourage, promote the reforms in such a way that the percentage of domestically produced commodities in Russia will increase substantially. It would seem to be apparent even to a hedgehog that Russia can be a rich country. But among those who have a self-interest in replacing the president, the soil is more abundant. The destabilization of

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Russia's economy is providing them with powerful levers. If I were president, I would intensify somewhat the state's influence on the economy. I am not talking about changing the course of the reforms, but about intensifying the role played by the state-regulation levers in carrying out the reforms."

Another economic aspect of rescheduling the presidential election is mentioned by the leading NII scientific associate: "In order to implement the idea of prolonging the powers, it is necessary to start a broad public-education campaign in the newspapers. And then to engage in the economy. If we had currently achieved a lack of inflation—and from my point of view that is realistic—inflation could have been eliminated long ago. And that would have guaranteed him his constituents' votes. It is difficult for me to say how society will accept the rescheduling of the election. I will express my opinion in only one way—by voting."

The head of an NII department reveals the same topic somewhat differently: "We need concrete actions that produce results. For example, if we can find the method and forces to pacify criminals, that will be well perceived by people. I can mention things that can be carried out realistically. The second is to take urgent steps with the military-industrial complex. This pertains to a rather powerful group of people. It is necessary to find methods for normal conversion, and to introduce order at the defense enterprises. But, speaking in general, if the idea of prolonging the powers is legislatively formulated, the nation, including the people who are anti-Yeltsin, will swallow silently what has been done. After all, the country swallowed the events of October last year!"

That is the position of the proponents of the reforms who are rather unsophisticated with regard to politics and who, for that reason, do not notice any signs of the process of making the political sphere autonomous. Without a doubt, for society as a whole the successes in the economy and in the fight against crime would become the decisive arguments in favor of rescheduling the presidential election. But, first, the attainment of economic success with the aid of simple decisions is impossible, and if the decisions are not simple ones, then the process of saturating the domestic market with Russian commodities will take more than one year. Secondly, the process of making the sphere of politics autonomous is leading to a situation in which the methods for resolving political problems by using the methods of realistic economic reforms are being constantly shoved into the background or are being ignored completely: the politicians attempt to resolve political problems only by political means, that is, to play only according to the rules of the political game which they have completely assimilated and which they know how to use in order to achieve their goals.

We shall now cite an even more accurate description of the legislative formulation of the rescheduling of the presidential election that was expressed by the chief of the chemical service of a subdivision, a specialist in chemical and radiation protection: "In my opinion, the best thing for the country today is to let Yeltsin stay for another year or two. If that depended on me, I would do this. I would carry through the Federal Assembly an amendment to the Constitution—in the interests of the country, in emergency situations, to allow the prolonging of the powers of the president and the deputies for a period of no more than two years. I would reinforce that decision by random public-opinion polls and by decrees promulgated by subjects of the Federation. It seems to me that then the events would develop. The opposition, in order to save its face and undermine the president's actions, will cause an uproar about the unconstitutional nature of this line, but it will not be too zealous. An election is also unprofitable for the opposition at this time. It does not have enough forces."

Another method for legitimizing the rescheduling of an election was proposed by the chief of a *voyenkomat* [draft board] department, and specialist in staff service: "In order to avoid an election, the president must take steps to conduct a referendum. Many people still respect him, and that step will provide him with additional votes. I would act in exactly this way." This alternative for the development of events is completely possible, but in this situation a referendum could turn into a presidential election; much will depend on the referendum law that has not yet been enacted by the State Duma.

Another position that was discerned was the position of indifference, with which the election date is unimportant. This is what a physician said: "For me, the election date is not very important. If the president can remain in power, then good for him! That depends upon him. If he is reelected, then even the rescheduling of the election won't help him."

The indifferent position can also be occupied by the disabled, who have been extremely politicized in the recent past. That is confirmed by the interview with a woman who heads an NII department: "In general, at the present time, no one is leaning either pro or con. It is a matter of indifference to people. Personally it is also a matter of indifference to me, and I really used to be politicized! When Yeltsin was elected, I worried that obstacles would be put in his way. I really burnt myself out with these two people: Gorbachev, in whose advent to power I also rejoiced, and Yeltsin. At that time Yeltsin had Pavel Voshchanov as his press secretary, and there were very enthusiastic, up-to-date, hard-hitting articles about him. So I think that if Yeltsin had a person like that beside him today, there would be order in the country. But where is he now, that poor Voshchanov? He couldn't last. So extend his powers. There is no need to hoodwink the nation or carry out agitation. Then they should just keep quiet. We have already deserted politics. It makes no difference to us. The people don't really care who is in power—Yeltsin or someone else. There's no difference."

It must be noted that the nation's silent acceptance of the decision made by the authority, to use the expression of the

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last respondent, actually means the gradual accumulation among the nation of its inner counteraction, which, sooner or later, can turn into active resistance to the authority, especially if the inner counteraction is used by any political forces.

There also exists an opinion about the need to reschedule the presidential election. The following is the detailed substantiation of that thesis by a corporation president and doctor of economic sciences, who includes himself "simultaneously both in the group of industrialists and entrepreneurs, and at the same time in the intelligentsia": "The rescheduling of the presidential election does make sense, because some of the Communist forces, while occupying key positions in the central agencies, are speaking out in favor of restoration. Their leaders are Chernomyrdin and Gerashchenko (Ed. note: The poll was taken prior to the resignation of the chairman of Central Bank), the leaders of the restoration forces. Why do I consider them in this way? Because, in the practical situation, it turns out that Chernomyrdin is conducting a policy of burdensome taxes, and Gerashchenko is conducting a policy of high bank interest ranks for credit. This is stifling the development of trade turnover, and according to Marx's political economy in this regard (and he is right, as several of his successors are), the concentration of finance capital makes it possible to develop not industrial turnover, but commercial. In practice it turns out that those measures that are being carried out by Chernomyrdin prevent the concentration of finance capital in the regions. And Gerashchenko is carrying out the concentration of finance capital at the expense of robbing the regions. This is the previous model of development—the Bolshevik one. Finance capital must be concentrated both in the regions and in the center. And the correlation between them makes it possible to determine who is in favor of restoration, and who is in favor of moving ahead with a consideration of the elements of the socialist or capitalist system. We currently can no longer take the pure model. It is necessary to take a mixed one. Therefore the president, as the guarantor of those processes, in order to prevent restoration, must prolong his powers by two or three years. In October 1993 I supported the president's actions." This is unconditionally the position of a supporter of the president as the guarantor of carrying out a democratic regime for administering the state.

Responders' Opinions Quoted

954E0578B Moscow ROSSIYSKAYA GAZETA in Russian 16 Feb 95 p 4

[Article: "Unpolished Interviews"]

[FBIS Translated Text] **Deputy NII director, born 1940, engaged in organizing the research process and looking for production orders:**

"What can be done for purposes of implementing the idea of rescheduling the election? Experience exists, and it is necessary to use what has already ben applied. It is necessary to create an emergency situation, and then under that sign it is possible to push through everything that you want. Judging by the degree of persistence with which the idea of rescheduling the election is being forced into life, the efforts that will be applied for this will be very great. This is the situation: the rescheduling of the election has a 50-50 chance. The masses of the people who are dissatisfied with the prolonging of the powers can go to rallies, but, unfortunately, in our society people have already become accustomed to paying no attention to these actions. If there is anyone or anything that can stop the rescheduling of the election, it is the State Duma and the Council of the Federation."

Art director of a theater, born 1943, hereditary intellectual:

"This is a very complicated question. Even if I do not like what Yeltsin is doing, I do not see today any real figure would could replace him. Of course, the politicians are cultivating someone, and will lead and promote someone. But I cannot name a real figure. Although, if the election were held today and Zhirinovskiy, Zyuganov, or Barkashov came to power, that would be terrible.

"Although I like Gaydar and Yavlinskiy, I do not know what is actually the situation. There is a risk. But everything that we expect from Yeltsin is clear to me. I am frightened by the vagueness of any figure who follows him. I do not know who to choose from.

"Today, when the nation is in such a difficult situation, it is clear that it will not vote for Yeltsin. There have been too many weak spots both in the government's policy, and in the state's policy. Although there may exist a figure who is not known to us. It might be, for example, Chernomyrdin or Skokov, or anyone... But I think that if there is no clear picture and there arises the danger that Zhirinovskiy will show up in the president's chair, I would make—if that were possible—certain changes in the Constitution, in order to prolong our current president's powers, but it would be by a sufficiently legal method. Because Yeltsin does not have any real opponent who would be in opposition to him, and his program and what he wants to do would be close to me. It would be better then to maintain the status quo."

Candidate of technical sciences, born 1937, association director:

"It is the Mafia that is pushing this idea through. Yeltsin is a figure who is more beneficial for the Mafia. He doesn't disturb anything. He makes a loud noise at the microphone, and then everything proceeds just the way he wants. Therefore this kind of president is convenient. He is flabby. It would seem that he does not have enough economic knowledge. The people who are waiting for changes for the better will oppose the rescheduling of the election. But they will not undertake any real actions. It is not necessary to exert any efforts to prolong the period of the president's powers. There are no opposing forces. Whatever Yeltsin says is what will be."

Chief of a department of an oblast administration, born 1946, engaged in the development of industry, higher technical education:

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"This is what I think about rescheduling the presidential election: whatever the central authorities decide to do with regard to this question is what will be. Personally I take a negative attitude toward rescheduling the presidential election. That would violate the Constitution."

General director of a joint-stock company, born 1941, mechanical engineer by profession:

"I think that there is no need to reschedule the presidential election. I feel that if the time comes to choose a new head of state, it will be necessary to hold that election. And if the current president enjoys the nation's trust, then they will again say 'yes' at the next election. But if that trust does not exist, then let a new leader come to the fore. If, nevertheless, the idea about rescheduling the presidential election is developed in the future, then I think that the people will begin to suspect that something is hiding behind it. And for me personally that causes distrust."

General director of a joint-stock company, born 1955, specialist in organizing the production of building materials:

"Although I have a lot of respect for Boris Nikolayevich and feel that this is his place, if we are building a democratic state, and if it is stated in the Constitution that an election should be held every four years, then it is necessary to hold one. But in order to be victorious in that election, it is necessary to do something. There is no need to hold an early election."

Administration chief, born 1957, mechanical engineer by profession:

"The replacement of the president, which the opposition is attempting to achieve, will not produce anything. We must give the president the opportunity to keep working until the end of his term, if only to make it possible to ask him to give an accounting for the results of his stay in power. Discussions about rescheduling the election are, in my opinion, no more than a game. If only because it was cooked up not just anywhere, but in the upper corridors of power. That is what makes people suspicious. An authority that is self-confident will not beg people for the right to prolong its powers. That is an obvious weak spot of the authority, and I am convinced that it will work against that authority."

Theater director, born 1951, hereditary intellectual:

"There is no need to prolong the president's powers. A new person must arrive. I feel that every political figure plays a definite role at a definite stage. It seems to me that as of today Yeltsin has played his role as the country's leader. I think that he has been of tremendous benefit to the country. But as of today he and his team are beginning to spin their wheels.

"What occurred was the destruction of a tremendous country. It took a tremendous amount of thought, efforts, nerves, and talent to destroy it. Now it is necessary to come to our senses. But I do not see any constructive approach to creating anything.

"There is one way. It is necessary, when the term runs out, to elect another president, who must arrive with ideas and his team, and it is necessary to give the new leader a chance to carry out the creative work that must be done after any destruction. I understand that it is very difficult to find a person like that, and no one knows whether such a person exists at all. But as of today that potential president already has more chances than Yeltsin did. His glance is becoming slippery. But in order to create anything, it is necessary to have a bold glance that is even, in some respects, a childlike one. There is no childlike glance. He has a completely trivial approach which, completely obviously, is not yielding any result. So it is necessary to hold a new election, to conduct an effective campaign, to take that risk, because otherwise the situation could be even worse."

Commander of a communications platoon, radio engineer, born 1969, assigned to an assault unit:

"Personally I don't really care whether or not there is a reelection. It will not change anything. But so long as there is a Constitution, it must be mandatory. For everyone. Otherwise there will not be any order in the country. Therefore I am against the prolonging of the powers. I am against everything that is counterindicated. But we can see that some people are already preparing to bypass the law. That will aggravate the situation."

Deputy battalion commander for technical matters, born 1952, motor-vehicles engineer:

"I hardly think that Yeltsin will retain his position. A new president will be forced to take parliament into greater consideration. As a result there will be a kind of armistice among the power structures. The extreme reformers will join the opposition and will get time for preparing a new offensive. All of this will occur rather peacefully. The nation is well aware that you cannot achieve prosperity by firing guns at people."

Chief of a *voyenkomat* department, born 1960, specialist in staff service:

"The arrangement of forces with regard to the rescheduling of the presidential election will be like this: the reformers will be in favor of prolonging the powers; and the Communists, Agrarians, and the Zhirinovskiy party will be against. In the autumn, polemics will begin in the press, and by the winter the polemics will be raging in full force. The majority will be against the prolonging of the presidency. Under that pressure, the Constitutional Court will have to recognize the need for an election. Then the election will occur. In order to avoid the election, the president must put the issue to a referendum. There are still a lot of people who respect him, and that step will provide him with additional votes. That is exactly what I would do."

Increasing Activeness of Russian Drug Trade Reported

95WD0193A Moscow IZVESTIYA in Russian 15 Feb 95 p 5

[Article by Vadim Belykh: "Cocaine Dealers Are Attacking Russia, Turning an Exotic Narcotic Into a Calamity"]

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[FBIS Translated Text] **The capture of two narcotics dealers on the Moscow-St. Petersburg night train at 2343 by members of an operative group of the FSK [Federal Counterintelligence Service] and the Investigatory Committee of the Ministry of Internal Affairs of the Russian Federation took place quietly and practically unnoticed by the crowd of passengers on the platform. Soon packages with samples of cocaine and heroin and a rather large sum of U.S. dollars—the advance payment for the future delivery of the commodity—came out of their pockets and packages to the light of day. The narcotics dealers, a man and a woman, remained silent during their arrest and search—they are both deaf-mutes from birth.**

Yuriy S. was rather well known in the criminal world. Having received only an elementary education in a special school, he suffered the adversity of life for only a little while before becoming a first-class pickpocket. It must be said that deaf-mutes enjoy exclusive respect among the representatives of this delicate profession. They are said to be exceptionally delicate in dealing with their "client," this being based on a refined—because of the circumstances—"sixth" sense. Yura worked well and they caught him just once: in 1981, he was given two years and six months. When he was released, he did not betray his passions and in the times of commerce he became president of one of the firms of the All-Russian Society of the Deaf.

Judging by everything, drug dealers made contact with him through old criminal ties. They were attracted by Yuriy's frequent trips to the United States and his good acquaintances among interpreters of sign language who were continually making journeys abroad. This gave rise to a "deaf-mute" channel for deliveries of cocaine to Moscow. They brought in the white powder in secret compartments of luggage. From Moscow they sent back dollars quite legally.

One of Yuriy's principal partners in the criminal business was a certain American citizen with old ties in St. Petersburg and his own criminal history in the city on the Neva.

On 27 September 1992, customs officials in Vyborg removed him from the Helsinki-Moscow train along with a load of that same cocaine. And no matter how the American asserted that he needed the narcotic to take away headaches that had been torturing him after an automobile accident, he had to stand before a court. True, the judge in St. Petersburg was exceptionally indulgent to the citizen of the United States. He got three years instead of the six to 15 years imprisonment set for smuggling and operations with narcotic substances in especially large quantities. And even that was without jail time but rather with a probationary period of two years.

This drug dealer successfully spent this time in his native America. He reappeared in Russia on precisely the day of the end of his "probation" and he immediately began to deal in cocaine, this time, to be sure, at a significantly higher level. He was no longer personally involved in the smuggling but in the coordination of the work of the illegal channel.

He did not, however, occupy an especially high place in the narcotics business. The real masters of the "deaf-mute deliveries" were quite different people, by no means foreign subjects.

In the search of Yuriy's apartment, they discovered a detailed list of people who invested their money in this specific "cocaine operation" with a precise indication of the sums. Included were some very well-known names and not just in the criminal world.

At first Yura and his wife dealt only with the organization of the transportation of the commodity. They communicated with partners in Russia by means of fax machines of the latest model. This allowed them to link up with the necessary people wherever they might be, even in a moving train. They called the cocaine different things in the encoded messages—buckwheat, flowers, candy....

Then the husband and wife themselves got involved in the sale of the powder. One of the main places where they negotiated on the sale was the restaurant "Aist" on Leningrad Avenue in Moscow. Here practically everyday from 1 to 2 o'clock in the afternoon one could find Yuriy, his wife, or one of their subordinates, come to an agreement on the price of a small quantity, and obtain a sample of the commodity. The final accounting and the exchange of cocaine for dollars took place at some other previously arranged place.

Obtaining a great deal of money, Yuriy and his wife preferred to invest it in gems and precious metals. Among the things that were confiscated: Swiss gold watches with 12 diamonds and a thick gold chain almost a meter long with a huge gold cross, a wonderful little platinum cat with diamonds instead of eyes, an old-fashioned gold ring with eight large diamonds, and all sorts of other jewelry.

Still, the insidious powder did play a nasty trick on the couple. Dealing with it constantly, they themselves gradually began to sniff cocaine and ultimately they became addicted.

Cocaine addition is a relatively new phenomenon for us. Actually the powder, which addicts call "Konstantin Konstantinovich" among themselves, was always used in Russia. But because of its high cost ($200-300 per gram!) in Soviet times, only a few people could afford to "be stupefied" by it.

Today cocaine is becoming the "drug of leisure" of the Russian elite of businessmen, artists, top officials with "auxiliary" earnings, and expensive prostitutes. It has become fashionable to sniff it, especially since the consumption of such a drug does not require any self-mockery. There is no need to push a needle into a vein, inhale a malodorous smoke, or choke on a tablet. By inhaling a little of the light white powder, the mood improves dramatically, there is an extraordinary flood of energy, the world begins to play with unusually bright colors, and everything becomes light and pleasant. Yes, the habituation to the drug and the physiological need for it do not

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pass quickly. True, there will be early aging, a collapse of the nervous system, impotence in men, and "breakdowns".... But I repeat, that will not happen at once and therefore no one wants to think about it at all. Rich people look for suppliers of the "noble high." And with money, such a task is not too difficult....

At "Aist" today, for understandable reasons, the trade in cocaine has come to standstill. In the hotel "Moskva," on the other hand, there are not yet any major problems, as specialists say. They usually sell "Konstantin Konstantinovich" in the hall near the bar and grill. The peak dealing comes around 3 to 4 o'clock in the afternoon for some reason. At the hotel "Kosmos," "powder" can be obtained almost around the clock and a certain Shipo there supplies them with cocaine. In addition, the dealers offer the "elite foolishness" to the visitors of many night clubs and discotheques.

Analysts from the Ministry of Internal Affairs once warned that by the mid-1990's cocaine would be a serious problem for Russia. At that time, no one paid any particular attention to this. The predictions that our people would begin to stupefy themselves with a potion made of the leaves of a Latin American plant seemed too exotic. Alas, the poor forecasts came true.

Today, according to information from the FSK and Ministry of Internal Affairs, there is a mafia center in operation in the territory of the United States that coordinates deliveries of "hard" narcotics—cocaine and heroin—to Russian territory. Its leaders, being closely linked with the international drug mafia, are well known.

They import "Konstantin Konstantinovich" from the United States and directly from Latin America. They bring it in through third countries in specially prepared secret compartments. They use inhabitants of Nigeria and Pakistan to transport it. Russian citizens are also involved, demonstrating unprecedented ingenuity. The payment for the risk of the couriers (called "camels" in the jargon) is rather high—from $2,000 to $20,000 for one "run."

After that the "commodity" is broken down into small parcels and through different dealers reaches buyers at a price of $200-$300 per gram.

One gram lasts a fan of the "powder" about a week. He spends about $1,500 a month for "Konstantin Konstantinovich." According to expert analyses, the annual income of a cocaine addict must be at least $25,000. And judging by everything, there are many such people in Moscow. But we have probably attained first place in the world in the number of deaths from cocaine overdoses. What can you do: we do not know moderation in anything! The sniffing of the powder for a few thousand "green ones" at a time is something incomprehehensible for the Western drug addict. But it is a quite common thing for the "new Russians."

The fight against the spread of cocaine in Russia today is very difficult. The "transparency" of the borders plays a role. The enormous amount of money involved in this "business" is forcing its bosses to resist law enforcement structures vigorously, including with bribes in the tens or even hundreds of thousands of dollars and the immediate annihilation of participants in the drug mafia who are even suspected of cooperating with the "departments." And the specific make-up of the consumers of the powder has a certain influence on the investigation: a well-known couturier got a lot of "illumination" in one of the first major criminal cases involving cocaine (true, without any particular consequences for him). Figuring in the lists of the clients of practically every other dealer of "Konstantin Konstantinovich" are the names of well-known artists, financiers, and politicians....

According to the estimates of experts, last year rich Moscow sniffed on the order of 100 kg of cocaine and paid more than $25 million to "Konstantin Konstatinovich" for this pleasure. This year, judging by everything, the cocaine mafia will almost double its income.

Authors of RF Draft Law on Drugs Called Incompetent

95WD0195A Moscow SEGODNYA in Russian 16 Feb 95 p 9

[Article by Artem Vetrov and Fedor Orlov: "Ignoramuses in the City of Sun: In Speaking About Drugs, Deputies Display a Childish Carelessness and Horrible Incompetence"]

[FBIS Translated Text] For all intents and purposes. the Duma hearings on the concept of the draft federal Law on Trafficking in Drugs, about which we reported yesterday, left the entire medical and social aspect of the matter outside their purview. Promises that those aspects will be considered when the next law is drawn up offer no encouragement. In a country whose drug-enforcement service was flawed from the outset and then expired completely, that appears strange, to say the least. Eduard Babayan, head of the committee on drugs, noted that the draft law does not answer a single question facing physicians and society and fails to accord with any international agreements to which Russia is a party. "I simply cannot understand what we are considering here," he said.

The childish views of the drug menace applied fully to the legal aspect of the document. However, most of those who spoke doubted whether such an aspect existed at all. First of all, they expressed their attitude toward the very principle of legal drug trafficking that is incorporated in the draft law—the licensing of that activity by any enterprise, under any form of ownership. Aleksandr Sergeyev, director of the RF Ministry of Internal Affairs' Administration for Combating Illegal Drug Trafficking, angrily appealed to the deputies not to forget that the subject of the discussion was precisely drugs. They are potentially just as dangerous as nuclear weapons, and to turn the production and cultivation of drugs over to private is tantamount to suicide. Especially under present conditions in Russia.

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In the opinion of Tatyana Bogolyubova, an expert with the Research Institute of the Procuracy General, the access of private individuals to drugs (even under state control) would simply result in legalizing the underground drug business. However, even without that, in the opinion of the specialists who spoke (ultimately experience, albeit bad experience, with the participation of private entities in legal drug trafficking does exist), the draft law that has been prepared is extremely weak in defining exactly what legal trafficking in drugs is, and what the procedures are for carrying it out. Thus, the representative of the Research Institute of the Procuracy General called the legislators' attention to the following detail: Article 5, part 1, states: "Trafficking in drugs on the territory of the Russian Federation shall be carried out only for purposes and according to procedures established by this law." However, the draft law itself does not say a word about exactly what the purposes of such trafficking are. Moreover, the procedures for licensing entities engaged in drug trafficking appear flawed, to put it mildly. Thus, it is incomprehensible who will verify whether enterprises are presenting reliable information, and how they will do so, how violators of the licensing procedures will be punished, and so forth, and so on. On this point, Mr Sergeyev cited an case with which his unit already has experience, whereby an ordinary footwear factory was engaged in middleman operations involving drugs. It was operating, of course, under the conditions of the present anarchy in the area of drugs. But, said Mr Sergeyev, just what will this draft law change?

An extremely incomprehensible situation has also developed with respect to the question of how the issues of countering illegal drug trafficking will be reflected in the draft Law on Trafficking in Drugs. In the document that was presented in the hearings, those issues were not raised at all. The working group's leaders attributed this to the fact that, according to their logic, before we speak of illegal drug trafficking, we must legislatively establish just what legal trafficking is. And only then, either in a separate law, or through the step-by-step introduction of amendments, would the Criminal Code, the Administrative Procedural Code, the Law on Operational Investigative Activity, and so forth be brought into conformity. To that, representatives of the Ministry of Internal Affairs, the procuracy and the Federal Counterintelligence Service expressed perplexity as to just how the law under consideration itself would be implemented. Some of them recalled the whole history of the drafting of laws on combating the drug business by numerous parliaments in our country. All these efforts, as we know, produced just one result: the abolition in 1991 of criminal liability for the illegal use of drugs, after which Russia became one of the few countries in the world that had legalized that phenomenon. And now, according to the representatives of the law-enforcement agencies, they are being promised that a new Criminal Code will be adopted—in a year, that an Administrative Procedural Code will be adopted—a year after that, and so forth.

It should be noted that the authors of the draft law that has been presented responded extremely good-naturedly to the specialists' criticisms, except for one point. When the latter were speaking of the inadvisability, to put it mildly, of eliminating the state monopoly on the legal production, cultivation and distribution of drugs, Mr Denisenko declared categorically that this was a political question and should not be dealt with. He said that the country had already embarked on a course of denationalization, and that there was no turning back. Moreover, when the director of the Administration for Combating Illegal Drug Trafficking tried to cite data that his service had gathered indicating that this misfortune, fortunately, had not yet affected pharmaceutical enterprises and pharmacies (except for those in Moscow and St. Petersburg), Mr Denisenko once again put him in his place: "That is a political matter."

Media Issues

Central Media Relationship to RF Government, Yeltsin Analyzed

954F1455A Moscow NEZAVISIMAYA GAZETA in Russian 16 Feb 95 p 3

[Unattributed article under "Ideas and People" rubric: "Diagnosis: Crisis: Relationship of the Central Russian Press to the President, Government of the Russian Federation, Government of Moscow, and Specifically to Yeltsin, Chernomyrdin, Luzhkov, and Korzhakov"; reaction of the press to the article "Snow Is Falling" (ROSSIYSKAYA GAZETA, 19 November 1994) and to the incident at 36 Novyy Arbat on 2 December 1994.]

[FBIS Translated Article] We have already announced this report in NEZAVISIMAYA GAZETA. If the authors of the report had limited themselves to an analysis of the texts of newspapers and conclusions on the political or other orientation of specific mass media, we would not have printed it. But in the concluding part of the report, on the basis of a conscientious analysis of the texts, its authors integrated the position of the central press with respect to such authoritative institutes of the society as the president's administration and the governments of Russia and Moscow and also in regard to such key political figures of the country as Yeltsin, Chernomyrdin, Luzhkov, and Korzhakov.

Certainly familiarity with the report as a whole will show that it is not tendentious. This is all the more clear to us in the editor's office, for NEZAVISIMAYA GAZETA knows the person who ordered the report (but the editor's office promised not to name him) as well as some facts in connection with the appearance of particular articles in the press, facts that if known to the authors of the report would give them reason for applying somewhat different nuances to some conclusions. But the authors, having come from different Russian special services, analyze only newspaper texts and only on the basis of this analysis do they draw their conclusions—unpleasant conclusions, especially for the authorities.

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The objective of this investigation was the determination of the position of newspapers with respect to the events in connection with the publication of the article "Snow Is Falling" (ROSSIYSKAYA GAZETA, 19 November 1994) and an incident at 36 Novyy Arbat (2 December 1994).

To perform the set task, they analyzed materials published in the period from 19 November through 16 December 1994 in 22 periodicals:

1. MOSKOVSKAYA KOMSOMOLETS
2. VEK
3. PREZIDENT
4. VECHERNYAYA MOSKVA
5. BIZNES I BANKI
6. FINANSOVAYA GAZETA
7. SEVODNYA
8. EKONOMIKA I ZHIZH
9. IZVESTIYA
10. NOVAYA YEZHEDNEVNAYA GAZETA
11. BUSINESS MN
12. KOMSOMOLSKAYA PRAVDA
13. ROSSIYSKIYE VESTI
14. TRUD
15. DELOVOY MIR
16. KOMMERSANT-DAILY
17. NEZAVISIMAYA GAZETA
18. MOSKOVSKAYA PRAVDA
19. KURANTY
20. ROSSIYSKAYA GAZETA
21. PRAVDA

22. MOSKOVSKIYE NOVOSTI

The limitation of the scope of the period under study has to do with the introduction of troops in Chechnya, which became the primary news for a long time. The theme of the article "Snow Is Falling" and the events with respect to the financial group "Most" were mentioned in the pages of 17 publications. The events that are the subject of the investigation were touched upon in some way or other in 95 articles. Of them, 21 were dedicated to the article "Snow Is Falling," 58 illuminated the events having to do with the incident on Novyy Arbat, and 16 raised both of these themes.

Such publications as PREZIDENT, BIZNES I BANKI, FINANSOVAYA GAZETA, EKONOMIKA I ZHIZH, and BUSINESS MN did not pay any attention in their pages to the themes having to do with the material "Snow Is Falling" and the events with respect to the financial group "Most."

The 95 articles selected as a result of the investigation and also the newspapers that published them are presented below in the form of a table, where the column "Place" is understood to mean the ordinal number assigned to each number depending on the number of articles published in it. The column "SF" includes articles that examined the article "Snow Is Falling." The column "M" includes articles dedicated only to the events having to do with "Most." "SF + M" includes those articles that took up both themes.

Place	Name of Newspaper	Total Number of Articles	SF	M	SF + M
1	SEGODNYA	16	3	11	2
2	MOSKOVSKIYE PRAVDA	10	2	5	3
3	NEZAVISIMAYA GAZETA	8	3	4	1
4	NOVAYA YEZHEDNEVNAYA GAZETA	8	1	7	—
5	VECHERNYAYA MOSKVA	7	1	6	—
6	KOMMERSANT-DAILY	7	2	5	—
7	VEK	6	2	4	—
8	KURANTY	6	—	5	1
9	MOSKOVSKIY KOMSOMOLETS	5	2	1	2
10	ROSSIYSKIYE VESTI	5	2	1	2
11	DELOVOY MIR	4	—	4	—
12	PRAVDA	4	—	1	3
13	ROSSIYSKAYA GAZETA	4	1	2	1
14	IZVESTIYA	2	1	—	1
15	MOSKOVSKIYE NOVOSTI	1	1	—	—
16	KOMSOMOLSKAYA PRAVDA	1	—	1	—
17	TRUD	1	—	1	—
Total		95	21	58	16

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The results obtained in the course of the investigation are presented in the following scheme:

I Part—statistical material and its interpretation;

II Part—selection of information of interest to us on each publication and revelation of general tendencies in the interpretation of the events;

III Part—grouping of the publications in accordance with general principles in the assessment of political events for each group.

Relying on the figures presented above, it is possible to produce ratings of the newspapers in regard to the degree of interest that they showed in the article "Snow Is Falling" and in the events with respect to "Most."

1. The problems in the article "Snow Is Falling" were touched on in 37 articles. The list at hand also included those articles where "Snow Is Falling" is examined in context with "Most."

"Snow Is Falling"

Newspaper	Articles
1. SEGODNYA	5
2. MOSKOVSKAYA PRAVDA	5
3. NEZAVISIMAYA GAZETA	4
4. MOSKOVSKIY KOMSOMOLETS	4
5. ROSSIYSKIYE VESTI	4
6. PRAVDA	3
7. KOMMERSANT-DAILY	2
8. VEK	2
9. ROSSIYSKAYA GAZETA	2
10. IZVESTIYA	2
11. VECHERNYAYA MOSKVA	1
12. NOVAYA YEZHEDNEVNAYA GAZETA	1
13. MOSKOVSKIYE NOVOSTI	1
14. KURANTY	1

2. The events around "Most" were the subject of discussion in 74 articles. The list also includes those articles in which these events are examined in the same context as "Snow Is Falling."

Incident with Most-Bank

Newspaper	Articles
1. SEGODNYA	13
2. MOSKOVSKAYA PRAVDA	8
3. NOVAYA YEZHEDNEVNAYA GAZETA	7
4. KURANTY	6
5. VECHERNYAYA MOSKVA	6
6. KOMMERSANT-DAILY	5
7. NEZAVISIMAYA GAZETA	5
8. VEK	4
9. DELOVOY MIR	4
10. PRAVDA	4
11. MOSKOVSKIY KOMSOMOLETS	3
12. ROSSIYSKIYE VESTI	3
13. ROSSIYSKAYA GAZETA	3
14. KOMSOMOLSKAYA PRAVDA	1
15. TRUD	1
16. IZVESTIYA	1

(Next follows a detailed report on the results of an analysis of the corresponding articles in more than 100 type-written pages. We will omit this and go directly to the final and most interesting part of the study for most readers.—NEZAVISIMAYA GAZETA)

In approaching the final part of the investigation, it must be noted that such events as the publication of the article "Snow Is Falling. Will the President and Government Fall?" in the pages of ROSSIYSKAYA GAZETA (19 November 1994) and the action carried out against Most-Bank (2 December 1994) revealed most of the sore points in the political sphere of the life of Russia.

An analysis of the articles dedicated to these two events made it possible, at least very approximately, to determine the political tendency and orientation of the investigated newspapers.

By relying on the work that was done, one can obtain answers to a whole range of questions of interest to the researcher but we will concentrate on the following:

1. The position taken by the newspapers with respect to the article "Snow Is Falling."

2. The position taken by the newspapers with respect to the incident with Most-Bank on 2 December 1994.

3. The assessment of the actions of Boris Yeltsin.

4. The assessment of the actions of Moscow Mayor Luzhkov and the government of Moscow.

5. The assessment of the actions of Prime Minister Chernomyrdin and the Government of the Russian Federation.

6. The determination of the general political situation in Russia by the newspapers.

1. The Position Taken by the Newspapers With Respect to the Article "Snow Is Falling" (ROSSIYSKAYA GAZETA, 19 November 1994)

Fourteen of the 22 newspapers that we investigated responded to the material "Snow Is Falling." The theme of interest to us was touched on in 37 articles that appeared in their pages.

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A common point for many newspapers that turned to the article in question was a more or less negative attitude toward the facts stated in it and toward its very appearance in the pages of ROSSIYSKAYA GAZETA. PRAVDA received it without any particular emotion, whereas such newspapers as DELOVOY MIR, KOMSOMOLSKAYA PRAVDA, and TRUD did not react to this event at all.

As we have already pointed out, such publications as PREZIDENT, BIZNES I BANKI, FINANSOVAYA GAZETA, EKONOMIKIA I ZHIZH, and BUSINESS MN did not pay any attention either to the article "Snow Is Falling" or to the incident with Most-Bank.

The most interested publications (in terms of the number of references) were SEGODNYA and MOSKOVSKAYA PRAVDA—five articles each. One article behind them were NEZAVISIMAYA GAZETA, MOSKOVSKIY KOMSOMOLETS, ROSSIYSKIYE VESTI (four articles each). Less interested were KOMMERSANT-DAILY, VEK, and IZVESTIYA with two articles each. And VECHERNYAYA MOSKVA, NOVAYA YEZHEDNEVNAYA GAZETA, and MOSKOVSKIYE NOVOSTI dedicated only one article to this set of problems.

Naturally each newspaper had its own "intensity of passions" in assessing the article "Snow Is Falling." The conclusions that the publications drew were also quite varied, although they do have something in common.

Authority

Such newspapers as SEGODNYA, NOVAYA YEZHEDNEVNAYA GAZETA, and MOSKOVSKIY KOMSOMOLETS see the "hand" of Poltoranin in the article "Snow Is Falling." MOSKOVSKIY KOMSOMOLETS adds that the authorship belongs to people connected with the security service "Den."

MOSKOVSKAYA PRAVDA says that the material was prepared on orders "from above," hinting, at a minimum, at the Government of Russia, whereas VEK points directly to Chernomyrdin as its initiator. KOMMERSANT-DAILY also alludes to this. Close to this point of view is the position of VECHERNYAYA MOSKVA, which believes that the leadership of the country ordered it. PRAVDA points to the grouping "Chernomyrdin-Grachev."

NEZAVISIMAYA GAZETA noted in passing, without being particularly specific, that the article was prepared by ROSSIYSKAYA GAZETA itself. This position was also taken by ROSSKIYSKIYE VESTI with the reservation, to be sure, that someone still stands behind the editor's office. MOSKOVSKIYE NOVOSTI agrees with this.

KURANTY attributes it to those forces that need chaos in the country for them to come to power and that are dreaming of changing history "globally."

IZVESTIYA names "federal authorities" as the initiator and surmises that it was the president's guard service that ordered the article.

Objective

Most of the newspapers define the article "Snow Is Falling" as a provocation but different figures are named as its object:

1. Luzhkov—MOSKOVSKAYA PRAVDA, VEK, KURANTY, VECHERNYAYA MOSKVA, KOMMERSANT-DAILY, MOSKOVSKIY KOMSOMOLETS, PRAVDA, and IZVESTIYA.

2. Yeltsin—NOVAYA YEZHEDNEVNAYA GAZETA and ROSSIYSKIYE VESTI.

3. Chernomyrdin—SEGODNYA.

KURANTY also believes that the primary objective of the article was to discredit the current authorities and the reforms that they are carrying out, whereas IZVESTIYA sees the article as an attempt by the "party of authority" to get rid of factionalism in its own ranks, that is, in this way the Russian Government is indicating to the government of Moscow the inadmissibility of separate actions. VECHERNYAYA MOSKVA calls the article an attempt to "drive a wedge" between Yeltsin and Luzhkov. NEZAVISIMAYA GAZETA notes that despite its inferiority the article is capable of frightening the "top people" of both the Russian and Moscow governments. NOVAYA YEZHEDNEVNAYA GAZETA sees several objectives in the article: in the first place, it is an attempt by Poltoranin to settle accounts with his adversaries through Yeltsin and secondly it is an attempt by certain forces to sow discord between Yeltsin and his supporters to leave him one on one with his opposition.

Reliability

SEGODNYA and VECHERNYAYA MOSKVA consider that the article is "absolutely unfounded" and MOSKOVSKAYA PRAVDA adds that it is "mendacious." NEZAVISIMAYA GAZETA defines it as "second-rate analytical material" that says absolutely nothing new. This same position is taken by KOMMERSANT-DAILY, adding that the facts stated in the article are gossip that has long been circulating in Moscow circles. MOSKOVSKIY KOMSOMOLETS defines the article as a "repetition" of "Day-Tomorrow." ROSSIYSKIYE VESTI characterizes it as a "compilation and plagiarism." MOSKOVSKIYE NOVOSTI defined the genre of the article as "denunciation." VEK called it "strange."

2. The Position Taken by the Newspapers With Respect to the Incident With Most-Bank on 2 December 1994

There were 74 articles in the pages of 16 newspapers on the events in connection with Most-Bank. An exception were the five publications already mentioned and also the newspaper MOSKOVSKIYE NOVOSTI. In 15 articles, the events in connection with "Most" are linked with the publication of the article "Snow Is Falling."

The absolute champion in regard to the attention paid to this problem was the newspaper SEGODNYA (13 articles), followed by MOSKOVSKAYA PRAVDA and

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NOVAYA YEZHEDNEVNAYA GAZETA a good distance behind but still with close attention to the events (eight articles). Also in the leading group are VECHERNYAYA MOSKVA and KURANTY (six articles each) and KOMMERSANT-DAILY and NEZAVISIMAYA GAZETA (five articles each). One article behind them are VEK, DELOVOY MIR, and PRAVDA. Three articles were placed in the pages of MOSKOVSKIY KOMSOMOLETS, ROSSIYSKIYE VESTI, and ROSSIYSKAYA GAZETA. Closing the ranks are KOMSOMOLSKAYA PRAVDA, TRUD, and IZVESTIYA (one article each).

All of the publications that responded to the events with respect to "Most" can be divided into four conditional groups: 1—clearly "pro-Most"; 2—distancing themselves from "Most" but sympathizing with it; 3—neutral; and 4—against "Most."

The first group, those that are "clearly pro-Most," is composed of SEGODNYA, MOSKOVSKAYA PRAVDA, MOSKOVSKIY KOMSOMOLETS, VECHERNYAYA MOSKVA, VEK, ROSSIYSKIYE VESTI, and KURANTY. The common tendencies for this group include attempts not merely to state facts but to formulate the opinion of the readers in the direction needed by "Most" and the existence of a common approach to the illumination and interpretation of events.

The second group, those that distance themselves but sympathize with "Most" to some degree or other, is made up of KOMMERSANT-DAILY, NOVAYA YEZHEDNEVNAYA GAZETA, KOMSOMOLSKAYA PRAVDA, IZVESTIYA, and DELOVOY MIR.

The third group, the neutrals, includes TRUD and NEZAVISIMAYA GAZETA.

The fourth group, those openly against "Most," consists of ROSSIYSKAYA GAZETA and PRAVDA (although, when it is advantageous to PRAVDA, it even seems to sympathize with "Most").

The first and in part the second group view the incident with Most-Bank as a link in a chain of events—along with the publication by ROSSIYSKAYA GAZETA of the article "Snow Is Falling"—that mark the beginning of the preelection campaign and the associated start of a shake-up in the "top echelons of power."

The necessity of the destruction of the "Most" group is linked, according to this point of view, with the fact that "Most" is politically active, is close to Moscow authorities, has become too strong in a commercial sense, does not want to merge with criminal structures, utilizes all possibilities for the formulation of public opinion as it requires, is involved in the preparation of a new generation of politicians, and once supported parties and voter blocs that have now become part of the opposition. And this was also seemingly "one of the steps" in the discrediting of Luzhkov as a real challenger for the presidency.

One increasingly gets the impression that the events with respect to "Most" will do enormous economic harm to Russia, because the West will refrain from any kind of aid to Russia (SEGODNYA, MOSKOVSKAYA PRAVDA, NOVAYA YEZHEDNEVNAYA GAZETA, KURANTY, and DELOVOY MIR).

Some newspapers view the incident with respect to "Most" along with different political events as a large-scale provocation against Yeltsin and reforms (KURANTY and ROSSIYSKIYE VESTI).

Other publications see this fact as the beginning of terror against entrepreneurs and banks by force structures (SEGODNYA, DELOVOY MIR, MOSKOVSKAYA PRAVDA, VEK, NOVAYA YEZHEDNEVNAYA GAZETA, ROSSIYSKIYE VESTI, and KURANTY).

NEZAVISIMAYA GAZETA and PRAVDA surmise that the action against "Most" was undertaken under direct orders from Yeltsin after he learned of Korzhakov's report, while others see it as an independent attempt by Korzhakov to "clear the way" for Yeltsin (VECHERNYAYA MOSKVA, MOSKOVSKIY KOMSOMOLETS, and IZVESTIYA).

KOMMERSANT-DAILY and IZVESTIYA appraise the action as a warning to Luzhkov and his entourage from higher authorities for the purpose of moderating his ambitions for the presidency.

3. Assessment of the Actions of President Yeltsin

It is a significant fact here that essentially not a single newspaper is providing any opportunity to "suspect" it of having sympathies for such a politician as Yeltsin.

We can identify three groups here: 1—publications openly negative in their assessment of Yeltsin's actions; 2—publications that are relatively careful in manifesting their dissatifaction with the actions of the president; and 3—publications that do not touch this question at all.

1. The group of "open opponents" includes MOSKOVSKAYA PRAVDA, NEZAVISIMAYA GAZETA, VEK, MOSKOVSKIY KOMSOMOLETS, and PRAVDA.

2. The group with a "critical disposition" is made up of SEGODNYA, NOVAYA YEZHEDNEVNAYA GAZETA, KURANTY, VECHERNYAYA MOSKVA, KOMMERSANT-DAILY, DELOVOY MIR, ROSSIYSKIYE VESTI, and IZVESTIYA (whereby in the latter two publications Yeltsin is presented as a victim in the hands of his favorites).

3. Not touching Yeltsin's name are: ROSSIYSKAYA GAZETA, MOSKOVSKIYE NOVOSTI, KOMSOMOLSKAYA PRAVDA, and TRUD.

In generalized form, the accusations against Yeltsin appear as follows:

—decline in authority among the population of Russia;

—inability to resolve the problems facing the country;

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—incorrect approach to the resolution of the question of Chechnya;

—authoritarian style of rule resulting in favoritism;

—credulity and dependence upon the opinion of favorites;

—departure from democratic positions and a tendency toward excessive strengthening of state power;

—growing thirst for power;

—inability to rally the team of democrats that came to power in 1993;

—indulgence with "palace" intrigues and their artificial stimulation for the purpose of strengthening his own power;

—formation of a "third force" in the person of force structures (Korzhakov and others).

4. Assessment of the Actions of Moscow Mayor Luzhkov and the Government of Moscow

All of the publications may be conditionally divided into four groups: 1—the group of those "openly pro-Luzhkov"; 2—the group of "opponents of Luzhkov"; 3—the group with a "critical approach"; and 4—the group of those "refraining from any assessments."

It is a curious fact that in the public opinion the assessment of the actions of Luzhkov does not always coincide with the assessment of the actions of the government of Moscow.

1. The group that is "openly pro-Luzhkov" includes such publications as MOSKOVSKAYA PRAVDA, MOSKOVSKIY KOMSOMOLETS, and ROSSIYSKIYE VESTI. These publications also highly valued the actions of the government of Moscow.

Luzhkov is presented to the readers of these newspapers as:

—a sensible and competent specialist and true manager whose intuition as a political leader is much more highly developed than that of anyone else and as a politician with real chances of being elected;

—a strong figure equipped with professional knowledge and experience and extraordinary on account of his organizational talent and tenacious memory. Actively helps to increase the entrepreneurial potential;

—a firm supporter of the president and reforms.

These newspapers also assess the actions of the government of Moscow very highly and only ROSSIYSKIYE VESTI refrained from stating its opinion on this.

2. The group "openly opposed to Luzhkov" was made up of the following publications: PRAVDA and ROSSIYSKAYA GAZETA. Their assessment is unanimous with respect to Luzhkov himself and to the government of Moscow.

3. The group with an "externally impartial assessment" is the most complex group, for the publications included in it are ambigous in their approach to the objects of interest to us and behind the general form of criticality one can detect a certain gravitation toward the first or second group. Let us try to subdivide it into the following subgroups:

a) those "sympathizing with Luzhkov"—SEGODNYA, VEK, and KURANTY. With respect to the actions of the government of Moscow, SEGODNYA, VEK, and KURANTY have avoided making any assessments.

b) "hidden opponents"—NEZAVISIMAYA GAZETA and NOVAYA YEZHEDNEVNAYA GAZETA. NEZAVISIMAYA GAZETA characterized the actions of the government of Moscow as "bad" and NOVAYA YEZHEDNEVNAYA GAZETA did not make any statement at all on this.

c) "distancing themselves"—VECHERNYAYA MOSKVA, MOSKOVSKIYE NOVOSTI, and IZVESTIYA. A common feature for all these publications was the absence of any assessment of the actions of the government of Moscow. KOMMERSANT-DAILY may also be included in this category of publications and one should note the critical nature of its assessment of the actions of the government of Moscow.

4. This group took in those publications whose pages essentially did not mention either Luzhkov or the government of Moscow: DELOVOY MIR, KOMSOMOLSKAYA PRAVDA, and TRUD.

5. Assessment of the Actions of Prime Minister Chernomyrdin and the Government of the Russian Federation

It appears possible to divide the publications studied in this aspect into the following three groups: 1—clearly negatively assessment; 2—critical assessment; and 3—complete absence of any assessment.

One cannot fail to note the fact that both Chernomyrdin and Yeltsin totally lack "open supporters."

1. The group adhering to an openly negative assessment of the actions of Chernomyrdin includes such publications as MOSKOVSKAYA PRAVDA, MOSKOVSKIY KOMSOMOLETS, PRAVDA, and IZVESTIYA, whereby these publications also assess the work of the Government of the Russian Federation as "unsatisfactory."

2. The group with a "critical assessment" (tending more toward a negative assessment) is made up of VEK, NEZAVISIMAYA GAZETA, SEGODNYA, and KOMMERSANT-DAILY. It should be pointed out that overall they consider the actions of the government to be unsatisfactory.

3. The group characterized by a complete absence of any mention of the name Chernomyrdin is composed of NOVAYA YEZHEDNEVNAYA GAZETA (although its approach to the assessment of the actions of the government is rather critical), KURANTY, VECHERNYAYA

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MOSKVA, DELOVOY MIR, ROSSIYSKAYA GAZETA, ROSSIYSKIYE VESTI (with a critical approach to the assessment of the actions of the government), MOSKOVSKIYE NOVOSTI (also criticism of the government), KOMSOMOLSKAYA PRAVDA, and TRUD.

In noting the general tendency of the newspapers to deal "cautiously" with the name of the prime minister, we cannot fail to see an overall negative assessment of the actions of the Government of the Russian Federation. And this assertion is fair not only for the publications that have openly declared their position but also for those that have "remained silent," because one cannot fail to understand the generally unsatisfactory situation in the country from the overall context of the published articles.

6. The Determination of the General Political Situation in Russia by the Newspapers

In the process of the study, several general tendencies were identified in the interpretation of the political situation in the country.

1. The country's economy and politics are actively being criminalized.

This point of view is held by SEGODNYA, MOSKOVSKAYA PRAVDA, VECHERNYAYA MOSKVA, DELOVOY MIR, VEK, and NOVAYA YEZHEDNEVNAYA GAZETA.

2. The country stands at the threshold of great changes and not in the direction of democracy.

This position is shared by SEGODNYA, NEZAVISIMAYA GAZETA, VEK, KURANTY, MOSKOVSKIY KOMSOMOLETS, PRAVDA, IZVESTIYA, and ROSSIYSKIYE VESTI.

3. Terror has begun in the country against representatives of "big business." They are increasingly being made into an "enemy image."

This is the opinion of SEGODNYA, NOVAYA YEZHEDNEVNAYA GAZETA, VEK, DELOVOY MIR, ROSSIYSKIYE VESTI, MOSKOVSKAYA PRAVDA, and KOMMERSANT-DAILY.

4. Many persons of Russia's political "Olympus" not only belong to different industrial and financial groupings but also actively defend their interests. The future of Russia is being resolved in the fight between these groupings.

This is the position of SEGODNYA, MOSKOVSKAYA PRAVDA, NOVAYA YEZHEDNEVNAYA GAZETA, VEK, MOSKOVSKIY KOMSOMOLETS, PRAVDA, ROSSIYSKIYE VESTI, KURANTY, and IZVESTIYA.

5. The force structures of the society are taking on uncharacteristic political obligations and are declaring that they are a "third force." The cause of particular concern is the person of Korzhakov, who is seen in the role of a "gray cardinal" in the country's political leadership.

This position is characteristic for SEGODNYA, VEK, NEZAVISIMAYA GAZETA, NOVAYA YEZHEDNEVNAYA GAZETA, KURANTY, VECHERNYAYA MOSKVA, KOMMERSANT-DAILY, MOSKOVSKOY KOMSOMOLETS, PRAVDA, ROSSIYSKIYE VESTI, and IZVESTIYA.

The use of the term "crisis" to define the status of the society has essentially become common to all publications.

NOTE: 1. The wording that we have used to characterize general tendencies does not necessarily coincide with the wording that the newspapers themselves used.

2. The in some cases inadequate amount of factual material may lead to a certain insignificant shifting of accents in the position of the publications.

Libel Charges Against 'ROSSIYSKAYA GAZETA' Discussed

954F1387A Moscow OBSHCHAYA GAZETA in Russian No 5/81, 2-8 Feb 95 p 12

[Article by Andrey Tarasov, under "Trials and Gossip" rubric: "If Chief Editor Is Lying, What Should Other ROSSIYSKAYA GAZETA Employees Do?..."]

[FBIS Translated Text] *January 26, this year. Savelovskiy Inter-Municipal Court, in accordance with article 152 of the new Civil Code of the Russian Federation and article 7 of the Fundamentals of Civil Law, has found for the plaintiff in the suit brought by Yegor Yakovlev against the editors of ROSSIYSKAYA GAZETA concerning the defense of his honor and dignity.*

The information reported by RG in the articles "Shark of Socialism" (March 2, 1994) and "Shark of Socialism-2" (April 14, 1994), has been found to be inconsistent with reality, and also to discredit the honor, dignity and business reputation of Ye. Yakovlev. The newspaper is obligated to publish a refutation and to compensate Yegor Yakovlev for moral injury in the amount of three million rubles. The authors of the materials—Natalya Polezhayeva, RG chief editor, and Pavel Gurin, general director—must each pay Yakovlev one million rubles. This decision comes into force ten days from the moment that it is pronounced, the refutation must be published in RG within two weeks of the moment that the decision comes into legal force. At the request of OG, Andrey TARASOV, the famous Moscow lawyer, offers his commentary on the details.

—I will remind you that Yegor Yakovlev, the initiator of the periodical economic publication "CIS: A Common Market," was represented in the pages of RG more than once as a greedy, unscrupulous person, who was guided in his professional activities by a single goal—getting himself rich. In their creation of this kind of figure, Polezhayeva and Gurin did not stint in pejorative characterizations, expressions, comparisons: a "shark of socialism," a "true shark of socialism," "a shark because a shark is always hungry"...

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Most of all, I was disturbed by the literal, foul vocabulary that RG used, the very headlines of the articles: "Shark of Socialism," then "Shark of Socialism-2," "Shark of Socialism-3," reminiscent of "Octopus-1," "Octopus-2," "Octopus-3," and that's already too much...

As a rule, the attorneys in our bureau only become involved in cases like this when they see in them a legal position. In the case of Yegor Yakovlev, evidence of RG's slander was lying right on the surface. As justification for all of their foul language, RG published what was, in its view, a list of Yakovlev's "crimes." Later, in session, the newspaper was unable to present proof of this. I must remind you that, in accordance with current legal norms, the burden of proof for what was written in the newspaper lies on the newspaper, itself, not on the plaintiff. At the same time, Yakovlev offered documentation of the fact that he was in no way the "owner" of OBSHCHAYA GAZETA, and that he did not even have the right to sign off on financial documents. Nor, as RG claimed, is the economic weekly "CIS: A Common Market" a "private newspaper."

Besides this, the publications claimed that Aleksandr Yakovlev, head of the RF Federal Television and Radio Broadcast Service, had given Yegor Yakovlev "300 million rubles." However, this, too, turned out to have no place in reality.

In everyday language, the phrase "inconsistent with reality" sounds like this: "The newspaper is lying." I would like to emphasize that in this manner, pure and natural slander is pouring from the pages of this publication, which is an organ of the government of the Russian Federation! And here, the government, itself, must draw the appropriate conclusions. RG's situation in this matter is aggravated further by the fact that a lack of professionalism as well as incompetence were exhibited not simply by the paper's journalists and free-lance authors, but by its most highly-placed people—the chief editor and the director. Like priest, like parish?

For me, this case is only the third suit brought to defend honor and dignity against RG. When a newspaper publishes untrustworthy information with great frequency, it turns, you will agree, into a kind of chronic disease.

It is understandable that in defaming a person's honor and dignity, RG was acting according to an old principle: sling a little mud, then we'll figure things out.

Mssrs. Polezhayeva and Gurin committed grave violations of article 51 of the Law on the Mass Media, as it directly speaks to the impermissibility of abusing the journalist's rights, the impermissibility of utilizing falsifications of publicly significant information and the spread of rumors with the goal of defaming a citizen in connection with his political convictions.

The court was zealous in its attention to detail: in it, Polezhayeva and Gurin's interests were represented by RG's attorney, Mr. Sedakov. You have to hand it to him—he tried to defend the interests of his wards, but to no avail, because he didn't have a single document that offered proof of their innocence. Besides this, RG's attorney made an attempt to present to the court some "expert opinion" on Yegor Yakovlev's behavior. This "opinion," on closer inspection, turned out to be a note written on the newspaper's official letterhead, and the "expert" in the mass media field was the defendant, herself—Ms. Polezhayeva. Everything was presented as if she really were an actual "expert" in journalism.

The court, naturally, declined that "opinion," because, apart from the moral aspect of the problem, the person at whom a lawsuit is directed cannot speak as a specialist or an expert.

In conclusion, I would like to give some advice to all journalists: when you are writing critical observations, be sure to show them to your lawyers before publication. You may save yourself the unpleasant experience of attending court as defendants. In the end, all of this will serve the cause of providing society with exclusively true information.

DOSSIER. TARASOV, Andrey Semenovich—Moscow City Collegium of Lawyers attorney (the law firm Reznik, Gagarin and Partners). Age—41. Has worked as an attorney for 15 years. Most famous cases that he has participated in—the defense of Atamurad Mukhammadiyev, Uzbek first deputy minister of internal affairs (the case was terminated due to a lack of corpus delicti), part of the well-known Churbanov case, the ANT concern case. For Tarasov, this is the seventh case having to do with the defense of honor and dignity against the mass media.

Results of Russian Poll on Independent Media Reported

954F1389A Moscow OBSHCHAYA GAZETA in Russian No 5/81, 2-8 Feb 95 p 12

[Article by Oleg Savelyev, sociologist, under "Figures" rubric: "Russian Urbanites on Journalists' Independence"]

[FBIS Translated Text] In a survey of about 1600 Russians conducted in the last third of January, 1995, by the All-Russian Center for Public Opinion and based on representative selection of Russia's adult, urban population, the following answers were received (in percentages) to certain questions from this study that were devoted to the mass media's treatment of the Chechen events:

"How would you evaluate the role of the independent press and independent television in presenting the Chechen events?"

They help people understand the current situation 45
They confuse viewers, readers 25
They impose false representations 9
Hard to say 21

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"Some say that journalists should reflect the official point of view of current events, while others say that journalists should present events from their own point of view. which of these opinions would you be most likely to agree with?"

Present events from their own point of view.....47
Reflect the official point of view.....37
Hard to say.....16

"Do you agree or disagree with the opinion that part of the Russian press and television has been bought by Dudayev and is acting in his interests?"

Agree.....11
Disagree.....52
Partly agree, partly disagree.....17
Hard to say.....20

"The events in Chechnya have been the cause of disputes over the ability of television and radio to provide society with objective information. with which of these opinions do you agree, and with which do you disagree?" (Only positive answers are recorded)

The country's leaders are angry with the mass media because independent journalists do not let them conceal and distort the truth.....31
In the Chechen crisis, TV and radio have taken a more honest, dignified position than the government has...27
TV and radio are providing objective information....25
TV and radio are defending democracy with their courage and objectivity.....14
In the Chechen crisis, the mass media have sided with the Chechens, not the Russians.....12
The army is being dishonored by the mass media.....12
TV and radio have, on the whole, taken an anti-state position.....10
TV and radio are relishing troops losses, and are supporting a defeatist attitude.....9
In criticizing the government's military actions in Chechnya, the mass media have set themselves in opposition to society, to Russian people.....6
I do not agree with any of these sentiments.....21

"Which of the journalists or observers working on newspapers or television does the best job of presenting events in Chechnya?"

1. Ye. Kiselev.....6.6
2. S. Sorokina.....6.5
3. A. Nevzorov.....4.2
4. T. Mitkova.....3.7
5. S. Dorenko.....2.8
6. N. Svanidze.....2
7. M. Osokin.....1.9
8. A. Minkin.....1.3
9. S. Alekseyev.....0.9
10-11. A. Borovik, A Sharapova.....0.7 each
Others.....12
No answer.....70

Regional Affairs

Oblasts' Standard of Living Compared

954F1525A Novosibirsk SOVETSKAYA SIBIR in Russian 23 Feb 95 p 2

[Report by Anatoliy Manokhin, authorized representative of the RF president in Novosibirsk Oblast, under the rubric "Standard of Living": "Among the Losers"]

[FBIS Translated Text] **Many Novosibirsk residents are asking the question: "How do our lives compare with others?" To answer this question, let us study the table which cites the data characterizing the standard of living in various regions of Russia.**

Table: Comparative Indicators of the Population's Standard of Living by Regions of Russia (October 1994)

Region	Subsistence Minimum, thousands of rubles	Average Income, thousands of rubles	Average Wage, thousands of rubles	Ratio of Average Income to Subsistence Minimum (2):(1)
	1	2	3	4
Russian Federation	105.3	258.1	265.0	2.45
City of Moscow	136.3	554.4	347.7	4.07
Novosibirsk Oblast	88.2	111.5	234.7	1.26
West Siberian Region				
Altay Republic	78.1	183.9	206.6	2.35
Altay Kray	82.4	118.5	192.0	1.44
Kemerovo Oblast	106.1	238.9	395.1	2.25
Omsk Oblast	88.0	130.9	236.8	1.49
Tomsk Oblast	97.0	207.3	298.2	2.14
Tyumen Oblast	148.6	471.9	665.5	3.18
Regions With Developed Industry				
Krasnoyarsk Kray	116.0	215.9	402.9	1.86

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Table: Comparative Indicators of the Population's Standard of Living by Regions of Russia (October 1994) (Continued)

Region	Subsistence Minimum, thousands of rubles	Average Income, thousands of rubles	Average Wage, thousands of rubles	Ratio of Average Income to Subsistence Minimum (2):(1)
	1	2	3	4
Irkutsk Oblast	114.9	217.3	375.2	1.89
City of St. Petersburg	94.8	210.2	263.6	2.22
Republic of Tatarstan	68.6	144.8	212.9	2.11
Sverdlovsk Oblast	122.6	187.6	267.1	1.53
Chelyabinsk Oblast	100.1	180.6	260.4	1.80
Nizhniy Novgorod Oblast	83.8	178.7	226.2	2.13
Ulyanovsk Oblast	57.0	130.6	207.5	2.29
Depressed Regions				
Bryansk Oblast	76.0	142.5	165.9	1.88
Ivanovo Oblast	91.1	117.9	155.7	1.29
Kursk Oblast	72.6	127.5	176.7	1.76
Volgograd Oblast	84.9	140.0	215.0	1.65
Penza Oblast	69.0	107.8	150.5	1.56

The comparison is made with three groups of regions whose features are similar to those of Novosibirsk Oblast: our neighbors, that is to say, Western Siberia; depressed regions (defined in the memorandum of the Analysis Center under the RF president "On the Program for Development of Depressed Regions"); and industrially developed regions.

The second and third columns of the table show data on average income and average wages in each region. But in order to decide whose lives are richer and whose are poorer, we must also know the prices. So the first column shows data on the subsistence minimum, that is to say, the cost of the given minimum set of goods and services which each person needs. The indicator on standard of living (column 4) summarizes the result and gives the ratio of average income to the subsistence minimum; that is to say, it essentially shows how many "sets of the subsistence minimum" the average inhabitant of the region can buy on his income.

These data conclusively show that Novosibirsk Oblast is among the last in Russia in terms of standard of living. The average income (column 2) in Novosibirsk Oblast is one of the lowest (111,500 rubles [R]); of the regions cited, only Penza Oblast has lower average income (R107,000); and in terms of the indicator for standard of living, Novosibirsk Oblast is last on the list (1.26).

If a comparison is made with all Russian regions, the result will be the same. For example, monetary income calculated per capita in October 1994 was lower than in Novosibirsk Oblast in only six RF subjects: the Republic of Mordvinia, the Chuvash Republic, Penza Oblast, the Republic of Adyge, the Kabardino-Balkar Republic, and the Karachayevo-Cherkess Republic. For this indicator Novosibirsk Oblast is behind any subject of the Federation of the Urals, Siberia, and the Far East which is in similar natural conditions.

In terms of the indicator for standard of living (the ratio of average income to the subsistence minimum), among all 76 regions of Russia, Novosibirsk Oblast is eighth from the bottom. The situation is worse only in the Republic of Adyge, the Karbardino-Balkar Republic, the Karachayevo-Cherkess Republic, the Udmurt Republic, the Republic of Buryatia, the Republic of Tyva, and Kirov Oblast. With the exception of Udmurtia, all these regions have traditionally had a low standard of industrial and economic development. Accordingly, Novosibirsk Oblast is in last place among the industrially developed regions of Russia in terms of the most objective indicator of standard of living.

Novosibirsk Oblast Soviet of Deputies Reviewed

954F1514B Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Feb 95 p 4

[Article by Yuriy Ivanov: "At the Regular Session It Was Decided That the Next One Will Be Extraordinary"]

[FBIS Translated Text] **A regular session of the oblast soviet of deputies was held. The agenda included eight items, among them the following: the basic program for medical care provided for oblast residents with budget funds; the draft law "On Scientific Activity and Regional Scientific and Technical Policy in Novosibirsk Oblast"; the draft law "On the Procedure for Citizens' Appeal to Bodies of State Power and Local Self-Administration."**

In our oblast several dozen enterprises have already been declared insolvent. None of them as yet has been put up for

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sale. However, the time has come to determine the normatives of distribution of funds, which will be received from the sale of debtor enterprises under oblast ownership. The Oblast State Property Fund and the Committee on Budgetary and Tax Policy of the oblast soviet submitted this matter for the session's consideration. They proposed that funds be distributed as follows: 60 percent for the financing of the social and cultural sphere of debtor enterprises and 30 percent for the financing of measures for the normalization of bankrupts. They proposed that 10 percent be deducted for bodies carrying out the sale, that is, for the Oblast Property Fund and the Oblast Committee for the Administration of Property.

Deputies immediately raised doubts: "Don't the 'sellers' want to get too much?" After all, this money, as deputy Viktor Kuznetsov assumed, will go for missions abroad, additions to wages, and so forth. Vasiliy Polovnikov, deputy chairman of the fund's board, explained that such a distribution normative was established by the corresponding government decree. Furthermore, a decision on this score was needed urgently in order to sell one enterprise—the Kupinskiy Rayon Industrial Combine. According to Polovnikov, after the payment for information reports on the forthcoming sale a paltry sum will be left from the 10 percent for the fund. Aleksandr Kiselnikov, chairman of the Committee on Economics of the oblast soviet, presented the last argument in favor of this decision: The decree is temporary, it will be in effect only until 1 July. In several months, as he hopes, the fund will no longer manage to sell anything and in the meantime the committee will develop its position.

However, even after this doubts lingered among deputies. "Was provision made for the mechanism of return of an enterprise to the former owner if the decision on its sale proves to be erroneous?" Aleksandr Plyushkin asked. During a break in the session's meeting he told our correspondent the reason for his concern:

"In Pervomayskiy Rayon there is the ZhBI-2 Joint-Stock Company. The boiler room of this enterprise is designed for heating neighboring residential houses and city hospital No 9. However, ZhBI did not have money for stokers' wages or for coal. And so, at times both residents of the settlement and patients felt this. Nothing can be done with ZhBI—it is a joint-stock company. The rayon administration even went as far as paying the wages of the joint-stock company's stokers from the local budget and the municipal council provided it with coal. It appears, however, that ZhBI managers also used the coal for production needs—not only for heating the hospital and the settlement. Then the municipal council proposed to the management of the joint-stock company: If you cannot maintain the boiler room—turn it over to us for temporary day-to-day management. But the monopolist heat carrier answered: If you want it, lease it and pay us for this. That is, they speculate in the social significance of the boiler room belonging to them...

The appeal by managers of 19 defense enterprises in the oblast is one of the items that was not included in the agenda, but was examined at the session. I will mention that, in two words, their proposals and demands boil down to the following: It is necessary to develop a program for the stabilization and development of industry, to stop the monopoly fixing of electric power prices and rates, to exempt the defense industry from the payment of fines and penalties, and so forth. Boris Galushchak, general director of the Priborostroitelnyy Zavod Association, who was authorized by his colleagues to speak at the session, said the following:

"At most we will be able to last until the 50th anniversary of the victory. It is not a question of the anniversary, but it simply coincides with this. If enterprises stop operating, this will undermine the oblast budget and workers will be on the street. We realize that without the participation of federal authorities you will not find a fundamental solution, but you will be able to postpone the shutdown of enterprises..."

It was decided to devote an extraordinary session to problems of enterprises of the military-industrial complex and to hold it in 2 or 3 weeks.

Ivan Indinok, who participated in the work of the session, elaborated his attitude toward what was going on in Chechnya. His position boils down to the following:

1. Russia is a federative state, in the entire territory of which, including the Chechen Republic, the RF Constitution must be in effect.

2. The bloodshed on Russian land must be stopped as soon as possible.

3. Disarmament of all illegal formations must become one of the basic conditions for holding negotiations.

4. Specific people, who made gross errors both at a strategical and a tactical level, must bear responsibility for the existing situation. Therefore, "any statements that 'Indinok allegedly voted for the war in Chechnya' are bare-faced lies."

Novosibirsk City Assembly's Meeting Reviewed

954F1514A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Feb 95 p 6

[Article by Vasiliy Krivoshchekov, deputy chairman of the city assembly, deputy from electoral district No 8: "City Assembly: First Steps"]

[FBIS Translated Text] According to the will of the voters, in the main, left-bank part of the city the election of the representative organ of local self-administration—the city assembly—dragged on for 9 months. A little more than 1 year is left for its present membership to work. That is why we have tried to finish the organizational part of our work more quickly, without which it is impossible to function normally.

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We have established the structure of the Novosibirsk City Assembly and elected the chairman, deputy chairman, and secretary. We have formed three permanent commissions.

The Commission on Budgetary and Financial, Tax, and Socioeconomic Policy will deal with matters connected with the city budget and municipal property. Boris Andreyevich Konovalov, deputy from electoral district No 17 of Leninskiy Rayon, was elected chairman of this commission and Anatoliy Ivanovich Evyagin, deputy from electoral district No 20, deputy chairman.

The Commission on Problems of Self-Administration will engage in the preparation of the statute on self-administration—the City Charter. Its functions include interaction with city residents, bodies of territorial-public self-administration, and bodies of state power on matters of self-administration. Georgiy Konstantinovich Chulinin, deputy from electoral district No 7, was elected chairman of this commission and Aleksandr Anatolyevich Mankov, deputy from electoral district No 10 of Kalininskiy Rayon, deputy chairman.

The Commission on Human Rights, Observance of Legality, and Fight Against Crime will examine appeals and petitions by citizens and organizations connected with the violation of human rights and interact with law-enforcement bodies on matters of ensuring legality and the fight against crime. Sergey Yuryevich Petin, deputy from electoral district No 23 of Sovetskiy Rayon, was elected chairman of this commission and Dmitriy Vsevolodovich Yeliseyev, deputy from electoral district No 14 of Leninskiy Rayon, deputy chairman.

In contrast to the city soviet of the last convocation we did not begin to establish permanent commissions of narrow specialization (on trade, culture, education, transport, public health, and so forth). First, in the city assembly there are only 16 of us (instead of 150, as was the case in the city soviet). Second, we believe that the activity of committees and departments of city administration should not be duplicated. This does not mean that deputies will not be interested in the work of various sectors of municipal services. At the deputies' wish, they have been included in various commissions and working groups, which are being formed by committees and departments of the municipal council.

In addition to organizational matters we have also worked on matters pertaining to the exclusive jurisdiction of the city assembly. They include the plan for the socioeconomic development of the city for 1995 and city budget expenditures for the first quarter of 1995.

We have also examined such matters of social significance for city residents as the change in rates of payment for services of housing and municipal facilities and of city passenger transport, the state and development of subway construction, and the program for the population's social protection. During the first quarter we also plan to examine the program for the employment of the city population for 1995.

Of course, a deputy's main task is to maintain contacts with voters. All deputies set the schedule for voters' reception in their district. According to the decision of the city assembly, voters of districts, where elections have not been held, can be received by any deputy. Heads of rayon administrations assigned premises and assistants to deputies for the reception of voters. At any time they will accept from voters petitions and appeals addressed to the deputy.

Law on Novosibirsk Oblast's Budgetary Organization, Process

954F1526A Novosibirsk SOVETSKAYA SIBIR in Russian 23 Feb 95 p 3

[Law on Budgetary Organization and Budgetary Process in Novosibirsk Oblast; appendix to the decision of the seventh session of the oblast soviet of deputies of 22 December 1994]

[FBIS Translated Text]

I. General Provisions

Article 1. Budget

The budget of Novosibirsk Oblast represents a form of formation and expenditure of funds for ensuring the functions of bodies of state power and local self-administration.

Article 2. Budget System

The budget system of Novosibirsk Oblast represents the totality of the oblast budget and of city and rayon budgets based on economic relations and legal norms.

Article 3. Budgetary Organization

Budgetary organization in Novosibirsk Oblast is based on the principles of unity, completeness, reality, openness, and independence of all budgets forming part of the oblast's budget system.

Article 4. Budgetary Process

1. The budgetary process is the activity regulated by this law of bodies of state power and local self-administration connected with the drawing up, consideration, approval, and fulfillment of budgets. Budget regulation, which represents a partial redistribution of financial resources among budgets at various levels, is a component of the budgetary process.

2. The budgetary process in Novosibirsk Oblast is built in accordance with the Russian Federation laws "On Principles of Budgetary Organization and the Budgetary Process in the Russian Federation" and "On Principles of Budgetary Rights and Rights To Form and Use Extrabudgetary Funds of Representative and Executive Bodies of State Power of Republics Within the Russian Federation, the Autonomous Oblast, Autonomous Okrugs, Krays, Oblasts, Cities of Moscow and St. Petersburg, and Bodies of Local Self-Administration," with normative-legal acts of the

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oblast's bodies of state power and with this law, as well as with decisions of representative bodies of local self-administration made within their powers.

3. The oblast budget is approved in the form of a law by the oblast soviet of deputies and budgets of cities and rayons, in the form of decisions made by representative bodies of local self-administration.

4. In the territory of Novosibirsk Oblast the budget year is established for 12 months (from 1 January through 31 December).

Article 5. Mutual Relations With the Federal Budget

Mutual relations of Novosibirsk Oblast with the federal budget are carried out in accordance with existing legislation.

In order to balance the oblast budget, transfers, grants, subsidies, and subventions can be given from the federal budget.

If federal bodies of state power make decisions, which entail an increase in the expenditures or a reduction in the revenues of the consolidated oblast budget, the missing budgetary funds are compensated by the federal budget.

II. Principles of Budgetary Organization

Article 6. Structure and Unity of the Budget System

The budget system of Novosibirsk Oblast includes the oblast budget and budgets of rayons and cities of oblast subordination.

The unity of the budget system is ensured by the uniform legal base, use of uniform budget classifications, unity of forms of budget documents, and presentation of the necessary statistical and budgetary information from one budget level to another for the drawing up of the consolidated oblast budget.

The unity of the budget system is based on the interaction of budgets at all levels carried out through the use of regulating revenue sources, establishment of minimum budget security funds and the reserve fund of the oblast administration, and their redistribution.

The unity of the oblast's budget system is realized through a uniform socioeconomic policy.

Article 7. Independence of Budgets

The independence of budgets is ensured by the existence of internal revenue sources and by the right to determine the directions in their use and expenditure.

The following belong to internal budget revenue sources:

—revenue sources for every budget level affirmed by law;

—deductions from regulating revenues sources;

—other sources established by the oblast soviet of deputies and representative bodies of local self-administration, including subsidies, subventions, and loans.

Article 8. Budget Revenues

Revenues of budgets at every level are formed in accordance with the existing legislation of the Russian Federation and Article 7 of this law.

Article 9. Budget Expenditures

1. Expenditures of budgets at all levels are divided into expenditures included in the development budget and in the current expenditure budget. The development budget includes appropriations for the financing of investment and innovative activity and the current expenditure budget includes all other expenditures not included in the development budget.

2. The expenditure part of development budgets can contain appropriations for investments in existing or newly established enterprises. Oblast ownership or municipal ownership of the equivalent part of the capital, as well as on a contractual basis, is the result of such investments. Property for production and nonproduction purposes, which is established with state budget investments, is transferred to appropriate committees for the administration of state property for administration.

Article 10. Balance of Budgets

The balance of budgets at all levels is the necessary condition for the budgetary and financial policy.

1. An excess of expenditures over revenues forms a budget deficit. If there is a budget deficit, expenditures included in the current expenditure budget are subject to top-priority financing.

2. In order to balance the oblast budget, the soviet of deputies and representative bodies of local self-administration can establish maximum amounts of the budget deficit. If in the process of budget fulfillment the maximum deficit level is exceeded, or receipts from revenue budget sources are reduced significantly, the mechanism of expenditure sequestration is introduced.

3. The deficit of the development budget is covered through the issue of oblast and municipal loans, or the use of credit resources. Representative bodies of state power and local self-administration, on the recommendation of the oblast administration and bodies of local self-administration, determine the procedure for and conditions of credit extension and the issue and floating of oblast and municipal loans.

4. The composition of protected items is determined by the oblast administration and is approved by the oblast soviet of deputies and by representative bodies of local self-administration within their jurisdiction.

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5. Decisions by bodies of executive power, which affect the reduction in the revenue part or increase in the expenditure part of the budget, are subject to approval by the oblast soviet of deputies, or by representative bodies of local self-administration respectively, if the extent of changes leads to an increase in the established maximum level of the budget deficit.

Article 11. Forms and Principles of Budget Regulation

1. Budgets of territories are formed with due regard for ensuring their minimum budget needs according to uniform methods on the basis of established normatives for all sectors of the social sphere and the economy.

Methodological materials on the drawing up of the budget for the planned year must be submitted to the oblast soviet of deputies and bodies of local self-administration of rayons and cities of oblast subordination no later than 15 September of the year preceding the planned year.

2. Under conditions of the deficit and lack of provision with financial resources current expenditures on the purchase of equipment and major repairs are examined item by item and are included in the calculation of the budget need only if it is impossible to ensure the population's vital activity without them, while capital investments are financed from special-purpose, borrowed, and other additional sources.

3. Subsidies are used in case of insufficiency of internal financial resources for the financing of the minimum current expenditure budget in individual territories.

4. Subventions are granted for investment projects and goal-oriented programs, which underwent an examination by experts and received the approval of the oblast administration. The oblast administration works out the Statute on the Conditions of and Procedure for the Granting and Examination of Investment Projects and Programs, which is approved by the oblast soviet of deputies, and controls the specific use of the allocated funds on the basis of the submission by the subvention recipient of mandatory reports in accordance with the established procedure.

5. Investment subventions are granted to representative bodies of local self-administration and are included in development budgets of recipient territories.

Article 12. Oblast Extrabudgetary Funds

The following oblast extrabudgetary funds have been formed and are in effect in the territory of Novosibirsk Oblast:

—territorial road fund;

—mandatory medical insurance fund;

—ecological fund;

—oblast economic stabilization fund.

The procedure for the formation and use of resources of oblast extrabudgetary funds, both existing and newly formed, is determined in accordance with the statutes approved by the Novosibirsk Oblast Soviet of Deputies.

Article 13. Oblast Reserve Fund

In order to finance measures aimed at regulating unforeseen economic situations, the oblast reserve fund is formed within the oblast budget. Deductions into this fund are made in a certain share from the actually received revenues of the oblast budget calculated in a running total from the beginning of the year. The amount (share) of deductions into this fund is established during the approval of the budget for the next financial year.

Every quarter the oblast administration submits information on the use of resources of the reserve fund to the oblast soviet of deputies.

III. Budgetary Process

Article 14. Stages of the Budgetary Process

The budgetary process is subdivided into the following stages:

—development of a forecast of the oblast's socioeconomic development;

—working documents for the draft budget submitted to the oblast soviet of deputies;

—consideration of the draft budget at the first reading;

—consideration of the draft budget at the second reading;

—approval of the oblast budget;

—fulfillment and introduction of changes into the oblast budget;

—organization of control of the budgetary process;

—report on the fulfillment of the oblast budget.

Article 15. General Principles and Periods of the Drawing up and Submission of the Draft Budget

1. The head of the oblast administration makes a decision on the beginning of work on drawing up the draft budget in the oblast no later than 6 months before the beginning of the corresponding financial year. On the basis of this decision the oblast administration organizes stage-by-stage work on drawing up the draft budget.

2. During 1 and ½ months a forecast of the oblast's socioeconomic development and the consolidated balance of financial resources are prepared, basic directions in the budget policy are determined, and the list of goal-oriented general oblast programs subject to budget financing is amended. On the basis of this decision and provisions of this law the oblast administration of finance and tax policy makes calculations and substantiations of normatives of deductions from regulating revenues and amounts of subsidies and subventions, which it presents to bodies of local self-administration no later than 3.5 months before the beginning of the financial year.

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Expenditures on goal-oriented general oblast programs are specified in the oblast budget and cannot be included in budgets of local self-administration.

Article 16. Examination of Proposals on Individual Budget Items

1. During the following month bodies of local self-administration make a detailed study and coordination of the calculations for draft budgets.

2. In the process of coordination bodies of local self-administration submit their proposals on changing and refining planned indicators. The oblast administration determines the period, during which bodies of local self-administration have the right to submit their proposals.

3. An examination of these proposals is made in the oblast administration.

IV. Consideration and Approval of the Draft Budget

Article 17. Working Documents for the Draft Budget for Its Consideration at the First Reading

1. No later than 2 months before the beginning of the new financial year the head of the oblast administration submits the budget message to the oblast soviet of deputies for consideration.

The budget message of the head of the oblast administration must include:

a) preliminary results of the oblast's development during the period under review, a forecast of the oblast's socio-economic development for the planned period, basic directions in the oblast's budgetary and financial policy for the forthcoming period, the consolidated balance of the oblast's financial resources, information on the oblast's state revenues, and substantiations and calculations of goal-oriented programs, normatives of deductions from regulating revenues, amounts of subsidies and subventions, and basic sections, chapters, and items of the oblast budget and oblast extrabudgetary funds;

b) the draft law "On the Oblast Budget" and appendices to it:

—appendix No 1 "Forecast of the Consolidated Oblast Budget";

—appendix No 2 "Oblast Draft Budget";

—appendix No 3 "Normatives of Deductions From Regulating Sources of Revenues Into City and Rayon Budgets";

—appendix No 4 "Subsidies and Subventions for Budgets of Cities, Rayons, and Administrative-Territorial Formations";

—appendix No 5 "List of Priority Sectors of Budget Financing and Protected Items";

—appendix No 6 "Capital Investments" with decoding by territories, directions of financing, and consolidated objects;

c) draft laws on budgets of oblast extrabudgetary funds.

2. The budget message of the head of the oblast administration is subject to registration in the apparatus of the oblast soviet of deputies in accordance with the procedure established by regulations.

Article 18. Consideration of the Draft Budget at the First Reading

1. The budget message of the head of the oblast administration after registration is sent to committees of the oblast soviet of deputies for preliminary consideration.

Within 15 days all the committees of the oblast soviet submit conclusions on this draft to the Committee on Budgetary, Tax, and Credit-Monetary Policy. Within 20 days from the moment of registration of the budget message the Committee on the Budget prepares a consolidated conclusion on the draft budget.

2. During the first reading before the discussion of the draft budget the head of the oblast administration (or his representative) is given the floor for a report and the chairman of the Committee on the Budget, for a supplementary report. After that a discussion of the draft budget is held. The chairman first puts to the vote the proposals of the Committee on the Budget and then the proposals of committees or individual deputies, which have not been accepted by the Committee on the Budget, if the authors insist on the vote, as well as proposals submitted by the head of the oblast administration in the course of discussion.

According to the results of discussion of the draft budget the oblast soviet of deputies can make a decision on taking it as the basis, or on rejecting it.

When the draft budget is taken as the basis, the oblast soviet of deputies instructs the Committee on the Budget, jointly with the administration, to prepare a draft for the second reading, establishes the maximum period for the submission of written proposals and remarks, and determines the date of consideration of the budget at the second reading.

When the draft budget is rejected at the first reading, the oblast soviet makes one of the following decisions:

—on the establishment of a conciliation commission, which, on the basis of the recommendations set forth in the consolidated conclusion, within 15 days develops a coordinated version of refinements regarding indicators of the oblast draft budget, after which the oblast administration submits the draft budget to the oblast soviet for consideration at the second reading;

—on the return of this draft law to the oblast administration. Within the next 20 days the oblast administration submits a new draft budget with due regard for the

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recommendations set forth in the consolidated conclusion for its consideration at the first reading. The new version of the draft budget is sent to the oblast soviet of deputies and is considered by it in accordance with the procedure established by this law.

2. Before the acceptance of the draft budget at the first reading the oblast administration can make in it any changes based on the results of discussion and inform the oblast soviet of deputies of them.

Article 19. Consideration of the Draft Budget at the Second Reading

1. Within 20 days after the submission by the oblast administration of the draft budget for the second reading it is considered in committees and at the session of the oblast soviet according to items, sections, and parts.

Before an item-by-item discussion of the draft budget revised with due regard for remarks the chairman puts it to the vote in order to take it "as the basis."

2. An item-by-item discussion consists of the report by the Committee on the Budget on work with the proposals, remarks, and corrections that have been received and with the substantiation of their inclusion in the draft or rejection and of speeches by deputies and by the head of the oblast administration (his representative).

3. A discussion of the revenue and expenditure parts of the budget is held separately according to types of revenues with an examination of normatives of deductions from regulating revenues, as well as according to sections, chapters, and consolidated items of expenditures in accordance with the budget classification.

4. During the consideration of the draft budget at the second reading the session of the oblast soviet considers and approves the following basic budget characteristics:

—distribution of regulating revenues between the oblast budget and budgets of the oblast's rayons and cities;

—revenues of the oblast budget;

—volume of expenditures of the oblast budget, including of the current expenditure budget and of the development budget;

—excess of revenues over expenditures, or the budget deficit and its maximum amount in percent of total expenditures;

—list of protected items of the oblast budget;

—circulating ready cash;

—subsidies and subventions for budgets of local self-administration;

—list of priority programs of the oblast budget.

5. After the approval of the budget at the second reading the oblast soviet of deputies adopts the law of Novosibirsk Oblast on the oblast budget. Then draft budgets of oblast extrabudgetary funds are considered and approved.

6. The text of the adopted law on the oblast budget with appendices is sent to the head of the oblast administration for signing and publication in accordance with the procedure established by the regulations of the oblast soviet of deputies.

Simultaneously with the law on the oblast budget, the decision of the oblast soviet of deputies on the procedure for putting the law into effect is sent for publication.

7. In case of the nonacceptance of the draft law on the oblast budget the oblast soviet before 1 January adopts the law "On Financing of Expenditures From the Oblast Budget During the First Quarter of the Financial Year."

If appropriations are not approved on schedule, the oblast administration has the right to spend funds amounting to 1/12 of the volume of the oblast budget of the preceding year during every month right until the approval of budget expenditures by the oblast soviet of deputies. At the same time, the volume of budget appropriations spent by bodies of executive power on unapproved expenditures cannot exceed the expenditures of the fourth quarter of the previous year.

Article 20. A Case When at the Time of Consideration of the Draft Budget Normatives of Deductions Have Not Been Approved at the Federal Level

1. In a case when at the time of consideration of the draft budget normatives of deductions into the Russian Federation budget have not been approved at the federal level, the draft budget is considered within current expenditures. This applies both to the oblast budget and to budgets of territories.

2. After the approval of normatives of deductions at the federal level budget normatives are recalculated. Normatives of basic deductions and normatives (amounts) of subsidies and subventions increase (but do not decrease) with due regard for the development budget.

V. Budget Fulfillment

Article 21. Budget Fulfillment Procedure

1. After the approval of budget normatives the planning of lower budgets is completed. Oblast normatives cannot be changed except in accordance with point 2 of Article 20 of this law.

2. In accordance with the decisions of the oblast soviet the oblast administration concludes agreements with territories on joint expenditures.

Mutual obligations of a higher and a lower body of power, including the procedure for the payment of due amounts and the expenditure control system, are indicated in agreements.

3. Cash budget fulfillment is carried out by banks on the basis of service contracts.

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Terms of contracts on the cash fulfillment of the oblast budget and oblast extrabudgetary funds are subject to a mandatory approval by the oblast soviet of deputies.

Article 22. Procedure for Making Changes in Budgets

The approved appropriations and the composition of financed programs are reviewed by the oblast soviet of deputies in cases of a change in programs, insufficiency of revenues, and excess of revenues at the planned level.

1. If in the course of budget fulfillment a higher body of state power makes a decision leading to a decrease in the revenues or to an increase in the expenditures of a lower territorial level, the missing funds, in this connection, for the balancing of the minimum budget are compensated by the indicated higher body of power, which made the decision, from its budget. At the same time, during the calculation of the missing funds the disposable balance of lower-level budgetary funds, which was formed at the beginning of the current financial year and was not spent at the time the indicated decision was made, is not taken into account.

The transfer of objects of budget financing from one level of the budget system to another in the process of budget fulfillment is made with the transfer of the appropriate financing.

2. The disposable balance of budgetary funds, which is formed at the beginning of the current financial year, budget revenues additionally received in the course of budget fulfillment, and amounts of excess of revenues over expenditures formed as a result of an increase in budget receipts or economy in expenditures (hereinafter—disposable budgetary funds) are not subject to withdrawal by higher representative and executive bodies of power. The representative body of power makes a decision on their use, including on the investment of these funds in economic measures, in shares, and in other securities, as well as on the granting of interest and interest-free budget loans, only if the financing of planned expenditures is ensured fully and the funds obtained from these operations are assigned to the budget.

3. The oblast soviet of deputies and representative bodies of local self-administration approve the volume of circulating ready cash within appropriate budgets in excess of the envisaged expenditures.

During the year circulating ready cash can be used to cover temporary cash gaps and must be restored in the same year to the amounts established during the approval.

4. In cases when, with the maximum mobilization of internal sources, the financing of urgent measures is not ensured, the oblast administration, upon application by territorial administrations, has the right to grant a loan to lower budgets.

Executive bodies of local self-administration, which receive a loan, ensure its repayment within strictly set periods and use it as specified.

VI. Organization of Control of the Budgetary Process

Article 23. Forms and Information Support for the Control of the Budgetary Process

1. The oblast soviet of deputies controls the formation and fulfillment of the oblast budget and the expenditure of resources of oblast extrabudgetary funds.

2. Control of the budgetary process in the oblast is carried out

a) at the stage of the drawing up and submission of the budget to the oblast soviet of deputies—in the form of their consideration, discussion, and approval;

b) at the stage of fulfillment—in the form of analysis, check, and approval of reports on the fulfillment of budgets of the corresponding year.

3. Every quarter the oblast administration must submit information on the course of fulfillment of the oblast budget and use of resources of oblast extrabudgetary funds to the Committee on Budgetary, Tax, and Financial-Credit Policy of the oblast soviet of deputies.

4. The oblast administration must control the correct use by enterprises, institutions, and organizations of the appropriations allocated to them from the oblast budget and of resources of extrabudgetary funds.

The oblast administration has the right to supervise the course of fulfillment of budgets by executive bodies of local self-administration on the basis of the requirements for the observance of existing legislation and decisions of the oblast's bodies of state power made within their competence. If the subventions assigned to the budget of local self-administration are not spent within the set period, or are spent not as specified, subsidizing is discontinued and the allocated funds are subject to return to the oblast budget.

In the process of budget fulfillment the representative body of local self-administration and its permanent commissions and committees have the right to demand from the appropriate executive body of local self-administration and bodies of administration of extrabudgetary funds any information connected with budget fulfillment and use of resources of extrabudgetary funds.

If necessary, the representative body of power can make a decision on enlisting an auditor to check budget fulfillment by the executive body of power, as well as the use of resources of extrabudgetary and currency funds by the executive body of power, or by bodies of administration of extrabudgetary funds.

Article 24. Reports on Fulfillment of the Budget and Extrabudgetary Funds

1. The oblast administration submits to the oblast soviet of deputies reports on the fulfillment of the oblast budget and budgets of oblast extrabudgetary funds for a year and for the periods, for which budgets were approved during the

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year, no later than two weeks after the end of the set period for the submission of reports to the Russian Federation Ministry of Finance.

2. Reports on the fulfillment of the oblast budget and budgets of oblast extrabudgetary funds are prepared by the oblast administration, or by bodies of administration of extrabudgetary funds, in accordance with the statutes on these funds.

3. Reports on budget fulfillment must be prepared according to all the basic indicators of revenues and expenditures approved by laws on budgets with an explanatory note on the received revenues and the expenditure of funds.

4. Reports on the fulfillment of the oblast budget and budgets of oblast extrabudgetary funds are examined by the oblast soviet of deputies, which on the basis of the examination results makes a decision on their approval or rejection.

Article 25. Right of Legislative Initiative of the Novosibirsk Oblast Soviet of Deputies

In accordance with Article 104 of the RF Constitution the Novosibirsk Oblast Soviet of Deputies has the right to appear before the Federal Assembly of the Russian Federation with a legislative initiative on the preparation of a draft law on the federal budget for the corresponding budget year, or on the correction of individual articles of federal draft laws on budget matters.

Article 26. Protection of Budget Rights of Novosibirsk Oblast—Component of the Russian Federation

The Novosibirsk Oblast Soviet of Deputies and the oblast administration in federal bodies of state power defend the oblast's budget rights in the process of formation of the Russian Federation consolidated budget, substantiation of the revenues and expenditures of the oblast budget, and fulfillment of obligations of the federal budget with respect to the oblast budget.

The oblast administration takes measures for compensation from the federal budget for a decrease in revenues or an increase in expenditures of the oblast budget brought about by decisions of federal bodies of power in the process of budget fulfillment.

Article 27. Openness in the Budget Process of Novosibirsk Oblast

Decisions made by the oblast soviet of deputies on the approval of the budget, of the report on its fulfillment, and of other matters concerning budget formation are subject to publication in mass information media.

Article 28

In case of the adoption of a corresponding federal law this law is brought into conformity with federal legislation.

Article 29

This law enters into force from the moment of official publication.

[Signed] I. Indinok, head of the administration of Novosibirsk Oblast

[Signed] A. Sychev, chairman of the oblast soviet of deputies
Novosibirsk, Krasnyy prospekt, 18

16 February 1995

Local Internal Affairs Head on Law Enforcement Organs

954F1510A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Feb 95 p 7

[Interview with militia Lt Col N. V. Derov, Novosibirsk mayor's office head of internal affairs, by Vladimir Prokopyev: "Nikolay Derov: 'But It Is City Residents Who Will Give Us the Grade'"]

[FBIS Translated Text] **On the work of the city's organs of law and order in 1995, on their goals and plans—a conversation with militia Lt Col N. V. Derov, head of internal affairs at the mayor's office.**

[Derov]—First—a few figures. In 1994, the total number of crimes in the city dropped by 19.5 percent, of which murders dropped by 24.4 percent, incidences of serious bodily harm—by 8, and robberies—by 32.9.

But statistics are, after all, cunning: I assume that the decrease has to do with more than just a rise in efficiency at the city Division of Internal Affairs [OVD]. There is some doubt: couldn't this be a result of residents' loss of faith in our strength, a situation where victims don't inform us of crimes that are committed? And don't these figures testify to the fact that the militia still doesn't wield enough authority in the eyes of city residents?

How can we increase it? Most of our attention will be spent on each militia employee's understanding of his basic duty: to defend the rights and freedoms of residents, their life, health, property. And we will count public opinion as an important criterion for professionalism. Let Novosiberians, themselves—in meetings, either with employees and managers of law enforcement organs, or through the mass media—grade our work.

[Prokopyev] Since the very beginning, you have observed: personnel is the priority.

[Derov] If you look at us through taxpayers' eyes, you don't care how one or another defender of residents' rights and freedoms performs his particular duties. Last year, for violations connected with service, 856 employees were punished, of them, 65 for truancy, 330 for a neglectful attitude towards work, 87 for drunkenness. A quarter of militia employees have been convicted, the cases of 22 more are being deliberated in comrades' courts. Law

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enforcement organ employees have been the perpetrators of 24 emergency incidents. I don't think that this requires any commentary.

For this reason, in 1995 will we be developing a contract system, with a transition to a competitive basis for selecting personnel. We will study the work and moral qualities of candidates for service carefully, utilizing in this the practice of personal guarantees for OVD employees.

I believe that it is also necessary to revive public organizations—courts of honor, officers' meetings, women's councils, other structures. We will strengthen and preserve the professional nucleus in every way, we will treat the most experienced and qualified specialists with care. We must continue to improve organizational-staff construction: we must create an optimal structure for the State Directorate of Internal Affairs.

[Prokopyev] Nikolay Vladimirovich, the war against crime is senseless without the effective investigation and solving of crimes...

[Derov] The number of crimes investigated and solved has increased (the percentage solved has risen to 44); now, we will make investigation quality and shortening investigation times top priority. We are beginning to uproot decisively from investigative practice the superficial attitude held towards searching for prints and other material evidence. We will direct are main efforts towards solving serious crimes, especially contract murders, crimes committed with the use of arms, explosive substances, crimes against businessmen, government employees, crimes motivated by economics. Here, we cannot function without investigative-operations groups, which we have decided to create jointly with the city procuracy.

[Prokopyev] To all appearances, in the coming year the war against economic crime division will be kept even more busy.

[Derov] Yes, the employees of that division have never lacked for work. And the result of their efforts is visible: the number of exposed economic crimes has risen by nearly 20 percent.

We will also further cut crimes connected chiefly with the abuse of investments, currency and monetary circulation, with incidents concerning the embezzlement of petroleum products and non-ferrous metals.

The division has been given the task of exposing commercial structures in a timely manner whose operations contradict existing legislature, directed towards attempts to deceive citizens or the illegal seizure of state property. At the same time, will we be actively supporting and developing cooperation with business structures that are not connected with criminal business, and creating extra-budgetary regional funds. The goal of these funds is to strengthen the material-technical base for the law enforcement organs, to provide social protection for OVD employees, material support for initiatives and activities made by city residents participating in the suppression of crime.

[Prokopyev] A few years ago, there were special services for the prevention of violations of the law and crimes operating in the militia. Prophylactic measures were one of the components of the state policy for preserving law and order. Then, the prophylactic structures were closed down—because they were "no longer needed." And what is the attitude now towards preventive measures?

[Derov] The same that medics have: preventing a disease is easier that treating it. This mainly concerns minors and people with former convictions.

Judge for yourselves: with a general growth in the number of crimes committed by minors, the share of murders has grown by 14.3 percent, while last year recidivist crime grew by 12.6 percent.

Well, the main weight in conducting prophylactic work falls upon the district inspectors: in 1994, this service solved 29 percent more crimes than the year before. Here, definitely, the increase of contacts with the population played a role: last year, district inspectors visited nearly 324 thousand citizens' apartments. Out of the information acquired, in the end, seventy percent was confirmed.

In 1995, the districts plan to utilize traditional forms more widely (verifications of compliance with passport rules, house-to-house searches, meetings with the residents of micro-rayons, reports to the population), giving tradition new content, adapted to today.

Passport and visa service employees have also made a significant contribution to prophylactic work: the number of checks they have conducted in the residential sector, in hotels, dormitories has risen. A total of 41 thousand administrative violations of the law have been uncovered.

Based on proposals made by that service, a mayoral decree has been adopted "On the Procedure for Residency By Foreign Citizens in Novosibirsk." It has made possible the deportation from the city and beyond Russian borders of 117 foreigners (84 voluntarily)—malicious violators of passport-visa regulations.

The "Signal," "Gastroler," "Mak," "Kommersant" and other all-city raids and operations were part of the prophylactic trend. In the first quarter, we plan to begin the comprehensive implementation of emergency communications systems with the militia. Over the year, the number of stationary militia posts will increase (check points); now, there are already 18 operating in the city. They have been established in the most populous places—in the "sore" spots for street commotion, and their timely services are already valued by city residents. Along with the corresponding mayor's services and rayon administrations, we will continue working to restore both the technical equipment available at bases for maintaining order,

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and to improve the illumination of city streets, especially those on the outskirts of town, squares, parks. In a word—we have plenty to do.

[Prokopyev] And do you, personally, Nikolay Vladimirovich, feel that city residents support your work?

[Derov] After the recent "hot line" on the municipal radio, I received tens of letters. Some were very brief—wishing us strength in our difficult work. I have occasion to meet with people not just during reception hours—in various venues, various situations. And I will observe: for now, people still have faith in and support us, the organs of law enforcement. Well, and whether that faith becomes stronger or weaker depends on the authority of each of us, on our daily work.

Failure of Leningrad Oblast Seaport Construction Detailed

954F1418A Moscow SEGODNYA in Russian 14 Feb 95 p 11

[Article by Irina Naydich: "The Largest Investment Project in Leningrad Oblast Has Failed: Ilya Baskin's Bluff at the Ust-Luga Port"]

[FBIS Translated Text] The Petersburg businessman Ilya Baskin is again arousing the curiosity of the broad public. This time his name is being linked with the 1994 failure of the project for building the Ust-Luga port in Kingiseppskiy Rayon in Leningrad Oblast. The organizer of the construction project had to spend 2 years fighting with ecologists and city deputies to defend the idea of the construction project of the century. Deputies were indignant at the ease with which the head of administration of Leningrad Oblast gave Ust-Luga, the joint stock company set up by Baskin, 144.2 hectares of land in Kingiseppskiy Rayon "for open-ended use to build a sea trade port for designated purposes." The lawsuit undertaken ended in the defendant's favor. The Supreme Court had nothing left to do but evaluate the legal mastery of the professionals standing behind Baskin who had prepared order No 568-r dated 27 July 1993. The right of ownership of this land by the AO [joint stock company] Ust-Luga was declared absolute.

The governmental program with the academic title "Rebirth of Russia's Commercial Fleet" had begun to be developed during this time. It envisions construction of mechanized deep-sea ports in the Gulf of Finland. Among them is a petroleum products port in the region of Primorsk on the northern shore of the Gulf of Finland 130 km from St. Petersburg. Its capacity is around 45 million tonnes of petroleum products a year. The first phase with a capacity of 2 million tonnes and a cost of about 500 million dollars is to be launched in 1997. The second petroleum products port is in Batareynaya Bay 60 km from the city; it has a capacity of around 15 million tonnes. The first phase of construction with a projected capacity of 7.5 million tonnes a year and a cost of 510 million dollars should be completed in 3 years. The design of a new port in Lomonosov is being developed. It is intended to handle general and refrigerated freight with a capacity of around 2 million tonnes. Finally, the reconstruction of the old Petersburg port is planned. Ust-Luga also fit into this scheme.

From the very start, the idea attracted the attention of the Leningrad Oblast administration. The existence of Leningrad Oblast's "own" port would help the head of administration talk to Petersburg in a different language—the mutual "good will" of Aleksandr Belyakov and Anatoliy Sobchak on views of economic cooperation between the city and the oblast is strong and unchanging. This circumstance was also taken into account by lobbyists for the project, who were thus able to prove that it was the right thing to do. So the port was included in the federal program. In all documents it is figured as a complex for handling general, timber, container, and bulk freight. The start-up complex with 2.5 million tonnes in freight turnover a year and dock frontage of 1,600 meters should also be built in 3 years. The cost of the first start-up complex is 663 million dollars. The first phase with a capacity of 17 million tonnes a year and a cost of 2 billion dollars is to be launched in the year 2000.

The state does not have the money for such projects of the century. A unified program of investment is being developed by offering tax and tariff breaks in order to interest firms with the money in financing the construction of the port complexes. The questions of land withdrawal and distribution of the right of ownership of the ports between the state and investors are very delicate issues. These difficulties have not been resolved up to this point; it is customary to speak of specific major investors who are involved with enormous caution.

The AO Ust-Luga's problems with land withdrawal seem to have been resolved. Two Petersburg institutes, Lenmorniiproyekt [Leningrad Maritime Scientific Research and Design Institute] and the NII [Scientific Research Institute] of Hygiene and Preventive Measures, prepared a huge document entitled "Comprehensive Program for Developing a System for and Conducting Ecological Monitoring of the Impact of the Construction of the Ust-Luga Port." The head of the AO Ust-Luga, Ilya Baskin, behaved in an exemplary manner. He reassured people on all levels that there was no acute problem in financing the project and that he would resolve it himself. The port was proclaimed a people's construction project. The Port-bank and Port-Invest organizations, which issue stock, were formed. The very fact of the start of construction could illustrate to major Western investors the mutual seriousness and consistency of government and entrepreneurial intentions to reform the economy and make the entire program attractive.

And then when the claims of the "greens" were crushed by counterarguments of an ecological expert study and the deputies and officials of all ranks taken separately were convinced by the collective efforts of dozens of specialists that this very port was vitally necessary to the state, it became clear that the AO Ust-Luga was in disastrous

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conditions in terms of money. According to the Itemized List signed by the technical director of the joint stock company, R94.896 billion were to be incorporated in Ust-Luga in 1994. There was no promised announcement of the creation of a consortium of banks which would undertake financial support of the project. Turnkey construction of a maternity home in the rayon center and a compensation plant costing 3 billion dollars ("based on the results of an understanding with a Norwegian firm") in the okrug has not been started. Not one of the institutes has been paid for work performed. As of 11 October 1994, the AO Ust-Luga's indebtedness was R2.174 billion. The authorship of the debts has not even been acknowledged.

The emperor's nakedness has proven to be so striking that people try not to notice. The officials are elusive. Not one of the representatives of the city and oblast authorities or leaders of Port-Invest and the AO Ust-Luga itself surveyed could even find the time to give an official assessment of what had happened. At the press conference which was conducted, the head of the interregional directorate of ports under construction, Dmitriy Sergeyev, commented on the situation and softly asked people to treat Baskin kindly: "We must not condemn people for initiative. His merit is beyond question... He simply overestimated his potential." Although he was more than straightforward in a letter dated 27 December 1994: "Despite repeated requests to submit a credit-financial plan for the port's construction, no response was forthcoming and the plan was not submitted. Financing in 1995 is unclear. The governmental program for reviving Russia's commercial fleet is threatened with failure..." The hard questions of the journalists who tormented the associates of the interregional directorate were answered, as is customary, by a "little guy." The former press secretary is seeking new work.

A port is not a bread shop. So it is very difficult to assess the damage done to the reputation of Russian entrepreneurs by the latest failed improvisation. Today the directorate is looking for a way to attract additional capital for financing the port's construction. It is not impossible that a new joint stock company which the AO Ust-Luga will be part of will be created. There is no one to answer for the bills. As one of Sergeyev's colleagues wisely observed, "The Department of Maritime Transport of Russia made a big mistake in concluding an agreement without stipulating the obligations of the parties. After leading everyone by the nose for an entire year, Ilya Baskin will bear no responsibility for violating the schedule."

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